Shall Nations Revalue Gold? *Pages 16 and 20*

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

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The Nation's Business

Whole World Turns Eyes to Washington
Roosevelt's Moment of World Opportunity
Manitoba's Finances Raise New Problem For Ottawa

Washington's Little World Conference

THE most significant thing about the forthcoming conversation in Washington between the heads of various governments—the "little world economic conference"—is that President Roosevelt, after six weeks of bold experimentation in the field of domestic affairs, has accepted the leadership of the world and is endeavoring to produce a series of world-wide formulae for economic reconstruction. It is doubtful if any governmental leader since Woodrow Wilson has had a greater opportunity for enforcing international co-operation in a noble cause.

The second most significant thing about the conversations is that President Roosevelt is apparently not going to use them to go on a fishing expedition for a panacea. Obviously he knows what are the primary steps to be taken by the nations. His task is to gain the complete co-operation of the larger economic powers in making these steps possible and to have them agree to them amid a blaze of world-wide publicity so as to gain the support of the legislative authorities and the popular opinion of the countries that the statesmen will represent.

* * *

THE decisions to be arrived at in Washington—if they have the formality of decisions—may be more important than the recommendations to be made later by the World Economic Conference. In the present temper of the world, diplomatic methods of negotiation seem to have greater effectiveness than international conferences. Conferences have a habit of getting themselves cluttered up with academic discussions. They lack both the realistic approach and the authority to back up their decisions. On the other hand, heads of responsible governments can pretty well undertake to deliver what they promise in diplomatic conversations and notes. This applies less to President Roosevelt than to the heads of other governments because the American president always has to consider the separation of legislative and executive authority that has alternately blessed and cursed the American people in their history and that whitened the hairs of President Hoover and made his entire regime ineffective. President Roosevelt, in going about the matter of international economic negotiations in such a spectacular manner, is doing so to strengthen his dominance over Congress by making public opinion stronger than congressional opinion and thus further lengthening the period of his effective dictatorship. To some extent Mr. MacDonald's hands have been tied by promises made to his Die-Hard associates but he is still a responsible minister.

* * *

THAT Mr. MacDonald, Mr. Herriot and Mr. Roosevelt know in advance of these conversations what they are going to say after they are finished is Washington's guess. The secret of the international policies agreed upon has been well guarded, but that agreement has been reached on some main points is conceded.

Three important phases of the conversations will deal with monetary policy, tariffs and war debts.

* * *

UNDER the heading of monetary policy, what is sought is international action to raise the level of commodity prices. Whether this will be accomplished by a revaluation of gold, by the establishment of a new international currency that would pile new money on top of all existing currencies, or by a carefully handled programme of deliberate currency inflation in Britain, United States and France remains to be seen. It is admitted by all sound economists that monetary action alone will not bring about a sustained rise in the level of prices, that some of the other menaces to economic security must be removed to insure that inflation, in whatever form, will take. But monetary management by itself is of sufficient importance to warrant bold experimentation by the leading countries. Of significance now is that there are inflationary moves possible that would have the support of even the soundest econo-

(Continued on page 2, col. 3)

UNIT OPERATION CHIEF OIL AREAS IS URGED IN U.S.

Plan to Control Production Would Stop Excess Drilling

AID CANADIAN OILS

Unwise Laws Force Companies to Raise Crude in Uneconomic Quantities, Disturbing World Industry

President Roosevelt's reported intention to establish regulative machinery to control production so that disastrous surpluses will never again be created is arousing keenest interest among chief executives in the oil industry of the United States and Canada. There is no public resource which has been more wastefully exploited than has the crude petroleum resources of the United States and the potential supplies resulting have been holding a dagger at the throat of the world oil industry for several years back. There is not a company executive in Canada who would not breathe easier if the President finds means to regulate production of crude oil. Curtailment plans have had a measure of success but keep all concerned uneasy as they are temporary and there is a premium on non-observance.

In the United States as in Alberta unwise laws are more responsible for what has occurred than the greed and lack of foresight of oil men. The application of property laws, which may be perfectly just when dealing with surface rights, becomes decidedly against the public interest when dealing with underground resources of a migratory type like oil and gas.

Conserving Pressure

It is a truism not yet appreciated in legislatures that the value of an oil field lies not so much in the actual quantities of oil below ground as in the pressure of gas from below which makes it easy to get that oil. Every hole that is driven to puncture an oil horizon tends to lessen the pressure by making more outlets for oil and gas and therefore the right which any company or individual has to drive a well on property owned or leased for the purpose brings about defensive drilling of offset wells which intensify the evil.

Everybody is aware of the rush that has always been made to drill wells in all properties surrounding any block where oil was found. They are familiar with the fact that the successful driller then felt it necessary to drive offset wells on the edge of his property to protect his underground resources. There are thus driven in every field numerous wells for which there is no economic justification. Reduction of pressure is coming to be found the chief operating evil resulting from this unregulated exploitation. Proration is only a temporary and half-hearted cure.

Turner Valley Plan Studied

For a long time now there have been voices in the wilderness crying for unit operation of various oil fields. They now have a chance of being listened to. Much the same plan that has been adopted in the Turner Valley to make oil resources last longer may have to be used in various parts of the United States. It is obviously in the interest of the United States as a nation to conserve its petroleum resources as long as possible and to over-ride individual interests so far as they stand in the way of national welfare. It is now apparent, however, that individual interests would be best conserved by unit operation because present conditions threaten to bankrupt all but the strongest companies in the industry.

Imperial, B. A. Oil Aided

Unit operation, with the resources of each field developed in the most economical way possible, would help Imperial Oil and British American Oil which are the two companies with the greatest interest in the United States situation. British American Oil would come directly

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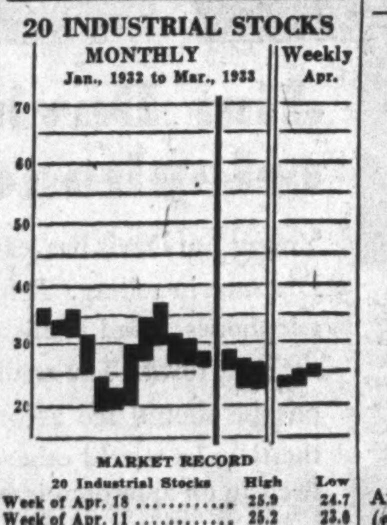
Stock Market



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Apr. 18	25.9	24.7
Week of Apr. 11	25.2	23.6
Month of April, 1932	31.9	25.5
10 Public Utilities		
Week of Apr. 18	41	40
Week of Apr. 11	41	40
Month of April, 1932	50	44
8 Bank Stocks		
Week of Apr. 18	149	147
Week of Apr. 11	150	147
Month of April, 1932	192	192

Highlights of the Week

Events and Topics That Make Articles for The Financial Post This Week

Revalue Gold

That is the proposal echoing through the economic corridors today. Would revalorized gold give world trade a powerful stimulus? Page 16. What would it do to our gold mines? Page 20.

Wheat Surplus

Just what does it mean when statisticians tell us that the world's wheat surplus would cover world import needs for a whole year? A careful analysis of the present situation. Page 1.

Dairy Profits

Thousands of words of evidence have been heard in the milk profits enquiry at Ottawa. One fact stands out; investors in dairy securities are sharing the depression burdens of the farmer. Page 15.

Using Up Credit

Just one-third of all the bank credit in Canada is now being used by governments. What does this mean to business? Some striking figures on a significant situation. Page 11.

Banks and Bonds

Should our banks be allowed to continue to underwrite and distribute corporation bonds? A further discussion of a live question with a list of their underwritings and how they have turned out. Page 1.

World Focus

Eyes of the world will be centred on Washington next week where the "Little World Economic Conference" is to be held. Two articles discuss it. What the statesmen will talk about, "The World at Large" column, page 6. Roosevelt's great moment, "The Nation's Business" column, page 1.

Finish Fight

The end of the road for the weaker mills is the clear implication of the newest $5 price cut in newsprint. The meaning of International's challenge told for investors. Page 1. And, as an added striking feature a personal sketch, with caricature by Cecil, of A. R. Graustein, the newsprint storm centre. Page 3.

Gloomy Wheat Facts Will Face Leaders at Coming Parley

Newly-Published Figures on Canadian and World Wheat Surplus Will Give Bennett and Roosevelt Food For Thought—May Plan Acreage Cut

CARRYOVER AT NEW HIGH

When Richard B. Bennett speeds to Washington next week to discuss wheat overproduction (among other things) with Franklin D. Roosevelt, he will be aided in his conversations by two important news items of the week. First of these was the semi-annual review of the world wheat situation by the International Institute at Rome. Second was the March estimate of Canada's probable wheat carryover at the end of the present crop year.

The former confirmed a preliminary estimate of six months ago that the world wheat carryover or exportable surplus at the end of the crop year will have increased 15 per cent and will be at the highest point in agricultural history. The latter indicated that the Canadian wheat carryover (in Canada) will be up 20 per cent to a new high record of 156,000,000 bushels at the end of our crop year.

Both are sobering considerations for those who believe the world's wheat troubles are currently heading towards solution. Key facts in the reports may be summarized briefly as follows:

1. World wheat or carryover or exportable surplus at Aug. 1, 1933, is now estimated at 650 million bushels against 565 million bushels a year ago. This surplus alone is more than sufficient to meet entire world import requirements for the whole of the past year. "Normal" carryover prior to 1926 was considerably less than half of this.
2. This carryover has now persisted for six years and will increase this year in spite of virtual crop failures in both United States and the Danubian countries.
3. World wheat acreage after a decline of approximately five per cent in 1931, turned upward again in 1932 due to a 4,000,000 acre increase in leading wheat exporting countries.
4. Canadian carryover of wheat in Canada as at July 31, 1933, is now estimated at 156,000,000 bushels, an increase of almost 20 per cent from the corresponding figure of 1932.

New Outlook Better

These then are the big gloomy facts looming ahead on the world wheat horizon and which lead to the belief that in spite of past failures, something constructive must quickly be accomplished toward wheat acreage curtailment, if this overburdening surplus is to be removed and permanently higher levels for wheat prices established.

These facts are not necessarily at variance with the view that the immediate outlook for Canada has improved in recent months; that demand and supply factors are showing better adjustment and that prospects for Canada selling wheat in considerable quantities and at current or better prices, during the next few months are good.

The problem which will be discussed at Washington and subsequently, will be the more permanent improvement of the situation which, according to some high grain authorities in Canada can perhaps only be achieved by some plan for acreage reduction—perhaps in co-operation with the plan already being mooted for the U.S.A. As stated to The Financial Post during the past week by a leading executive in the trade: "We cannot afford to get optimistic about the future until the acreages have been reduced." His view is not that of the trade generally. Most grain men aver that if Canada will stick to its guns it will eventually win the world wheat battle.

Institute Survey

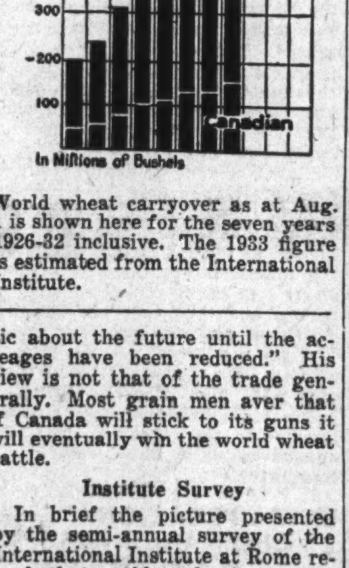
In brief the picture presented by the semi-annual survey of the International Institute at Rome reveals that world production in 1932 (excluding U.S.S.R. China and Turkey) is almost the same as in 1931 and constitutes therefore a good average crop. When China, Turkey and U.S.S.R. are included the 1932 crop would be lower than 1931 due to small crops in these areas.

Exporting countries due to crop failures in the Danube Basin and the United States have a much smaller crop than last year in spite of larger crops in Canada, Australia and Argentina. The decline is due exclusively to poor weather which reduced unit-yields. Area harvested actually increased by four million acres. Thus despite large stocks existing at the beginning of the season, this smaller crop in surplus-producing countries has cut export surplus by 80 million bushels to approximately 1,280 million bushels.

On the other hand however, importing countries and especially those of Europe, have had an ex-

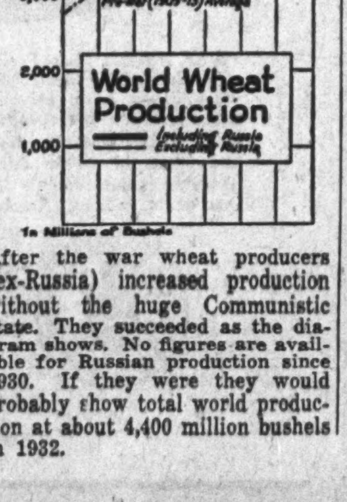
(Continued on page 12)

Carryover Soars



World wheat carryover as at Aug. 1 is shown here for the seven years 1926-32 inclusive. The 1933 figure is estimated from the International Institute.

Post-war Wheat



After the war wheat producers (ex-Russia) increased production without the huge Communistic state. They succeeded as the diagram shows. No figures are available for Russian production since 1930. If they were they would probably show total world production at about 4,400 million bushels in 1932.

$46,000,000 LENT TO WEST BY DOMINION

Loans Made in Last 18 Months to Four Provinces

MAN. ASKS MORE

Saskatchewan Owes Over 28 Million — $10,250,000 for Drought Relief Not Collectable

From Our Own Correspondent

OTTAWA.—More than $46,000,000 has been loaned or spent by the Federal government in the past 18 months in caring for the four Western provinces.

Complete data on this phase of federal finances was either made public or given to members of Parliament in the past week. The picture, as at March 31, last, is now complete. The loans and expenditures are divided as follows:

Manitoba	$ 7,940,629.45
Saskatchewan	28,508,678.84
Alberta	5,982,000
Brit. Col.	3,696,749.50

Write Off $10,000,000

The large outlay upon Saskatchewan is partly explained by the fact that $10,250,000 of federal money was expended in caring for the drouth relief area. This area was taken over as a purely federal obligation and repayment by the province is not covenanted for. It is true that farmers who received relief have been compelled to sign notes pledging repayment, but from a practical viewpoint the recoveries under these notes will not begin to carry the outlay and, in effect, the Dominion will have to write off this $10,250,000 and any additional amounts that may be necessary, as an ordinary expenditure.

The position of these Western provinces is now one of the most serious financial problems facing the Bennett government. Six months ago The Financial Post forecast that by March of this year the federal loans and expenditures would run to $50,000,000. The estimate was too high but only because there has been a temporary halt in cash handouts to the West pending the completion of an agreement between Ottawa and the various provincial ministries. Once this agreement is completed the loans and advances will be resumed and on a much greater scale. Had it not been for this interruption, the total would have exceeded $50,000,000 and when the cause is removed the flow of cash to the West will rapidly swell the grand total to $70,000,000 or more.

Help With Budgets

Studying the various orders-in-council under which these loans and expenditures have been made it is apparent that the Bennett government has established a very dangerous precedent. In the main the loans were made to take care of debt maturities, unemployment relief and seed grain requirements.

Had the Bennett government drawn the line at this point, the future demands on the federal treasury would have been large, but not insupportable. But the government has established the precedent of assisting the Western provinces with their own budgets. In the case of Saskatchewan $6,653,739.73 has been advanced for provincial purposes which means for the provincial payroll or for any item in the provincial budget. And this precedent, it is understood, is causing serious embarrassment, threatening to remove the checks upon provincial demands. Manitoba is understood to require financial aid for her budget. Alberta and British Columbia, it may be assumed, will not be far behind.

Manitoba's Position

From Our Own Correspondent

OTTAWA.—The Manitoba Government has applied to Ottawa for additional assistance approximating $9,285,000. With respect to more than $4,000,000, Federal action must be forthcoming before the end of the month if this province is not to be threatened with default of principal and interest due at New York.

In correspondence between Premier R. B. Bennett and Premier John Bracken, made public this week, the full extent of the Manitoba crisis is revealed. Manitoba's needs are listed as follows:

For direct relief expenditures (covering outlays made since Apr. 1, 1932)	$1,404,000
Overdraft at the Royal Bank (incurred against a provincial loan which was never made	3,000,000
Principal and interest payments maturing at New York on May 1 and 15	4,481,000
To take care of defaulting municipalities	400,000

In the face of these demands, Premier Bennett on March 9, wrote a letter to the Manitoba Government—and it is understood that identical letters went to the governments of the other three western provinces—laying down two conditions which must be fulfilled before Federal assistance would even be considered.

The first was that the proposed deficit for which Manitoba had budgetted, of $2,650,000, be reduced to not more than $1,000,000. The second was that failing such a curtailment of the deficit, the Dominion would only assist Manitoba if a financial controller with over-riding powers, were appointed. This controller was to be appointed by the province but must be a man who would be acceptable to Ottawa.

The Manitoba Government, under this compulsion has increased taxation by an amount estimated at $1,350,000. In addition $650,000 has been cut out of current expenditures. The proposed deficit, therefore, has been cut down to $650,000 and the Bracken Government in a letter to Ottawa dated March 18, is requesting early consideration of its needs for cash.

Discount on Newsprint Costs Producers Heavily

From Our Own Correspondent

MONTREAL.—International Paper Co. will suffer the largest reduction in revenue from newsprint sales following upon its announcement of a discount of $5 a ton to contract customers from the beginning of the current month until further notice, according to estimates prepared by The Financial Post. The operators do not publish data on their newsprint sales in the United States and elsewhere. As the volume of paper shipped to "overseas" markets is relatively small, application of the $5 cut to all sales is not far short of the actual figure. On the basis of estimates prepared by The Financial Post, the rebate will cost International around $2,000,000. Next in line is Abitibi with $750,000, followed by Consolidated Paper with $550,000. The effect of the price discount, which will undoubtedly be followed by other operators, is set forth in the following tabular matter:

	Approximate tonnage in 1932	Approximate tonnage for 9 months of 1933	Extent of $5 per ton rebate in 1933*
Abitibi Power and Paper	210,000	150,000	$ 750,000
Backus Group	105,000	75,000	375,000
Consolidated Paper	165,000	110,000	550,000
Donnacona Paper	24,000	18,000	90,000
Eddy Co., E. B.	18,000	20,000	100,000
International Paper	550,000	400,000	2,000,000
Mersey Paper	72,000	50,000	250,000
Price Bros. and Co.	130,000	90,000	450,000
St. Lawrence Corp.	120,000	80,000	400,000

*This is a gross figure, as some of these companies are already selling newsprint under the official price, so that the total tonnage will not be affected by the rebate.

Survival of Fittest In Newsprint Industry Forced by Int. Paper

Price Rebate Means Loss of Many Millions to Producers

TIGHTEN UP LOANS

Production Costs Are Not Covered by New Rate — Banks Likely to Hold Back Support

From Our Own Correspondent

MONTREAL. — Elimination of the inefficient newsprint manufacturers in an effort to quickly bring about a stabilized market is seen as a possible development in the announcement of Archibald R. Graustein that from the beginning of April and until further notice International Paper Co. will give its contract customers a discount of $5 a ton on newsprint.

For nearly two years past efforts have been made by the Newsprint Committee and others to put the industry on its feet following a period of unrestrained expansion and over-capitalization. While the efforts of this committee have been productive in some direction, it has failed in its primary purpose of re-establishing the industry.

Many Are in Trouble

Canada Power and Paper, Abitibi Power and Paper, Minnesota and Ontario, Great Lakes Paper, Lake St. John Power and Paper, and Price Bros. & Co. have all become insolvent, while the remaining operators are piling up huge deficits and faced with bankruptcy. Not all of the troubles of these companies can be attributed to the chaotic affairs of the newsprint industry, but their troubles have had an adverse bearing upon the situation and retarded the rehabilitation of the industry.

Lengthy negotiations were conducted between the Newsprint Committee and the operators up until the middle of last year. At one time it appeared that a policy would be worked out to which all the companies would lend their support. This effort fell through and since July last the manufacturers have been doing what they could to protect their individual positions.

Lack Common Policy

The lack of any common policy has brought about further disruption in the newsprint market. Price standards have been disregarded in the desire for additional business. The net result has been that those companies in receivership have not improved their position despite the lifting of funded debt charges. while the others have been slowly strangling to death.

Continuation of present conditions must inevitably lead to the complete breakdown of the industry. By the concentration of business in the hands of a few of the more efficient producers it may be possible to effect a clean-up of the situation more readily than if the other producers have to be considered.

By bringing down the price of newsprint International speeds up the day when the less efficient mills have to be closed.

Disregard Official Price

It is common knowledge that for several months past manufacturers have been selling newsprint below the official price of $45 a ton in the New York zone. Several large and important contracts have been taken at prices around $40 and even below that figure. One Canadian manufacturer secured the last big American contract in open competition at a price of $38 a ton.

Knowledge that recent contracts have been made below the official rate has brought increasing pressure from other American publishers demanding a revision of their schedules. In certain instances it is reported that the publishers have refused payment on deliveries until such adjustment had been made.

Matter of Time

It was only a matter of time before one or more of the large manufacturers would recognize the prevailing price situation and alter the official schedule to the market price. Price cutting has not been officially countenanced and every effort has been made to maintain the artificial level. Conditions have reached such a point, however, that it is no longer possible to do this and in allowing the discount of $5 a ton International is doing no more than meeting prices already established.

Notice is General

The announcement issued by International Paper is so worded as to leave some uncertainty as to its exact meaning. It is interpreted as meaning, however, that International will allow a discount of $5 a ton on the official price of $45 a ton f.o.b. New York. Where companies have entered into contracts to deliver paper at $40 or less a ton, it is not expected that this discount will be given.

Tonnage contracted for under the lower rate schedules since last June is relatively small. The majority of contracts are at the fixed price of $45 a ton where deliveries are made in the New York zone and with proportionate increases or decreases in the other zones. It is to be doubted if more than 100,000 tons have been contracted for in the "under-the-counter" market.

Consumption of newsprint in the United States area affected by the

(Continued on page 2, col. 1)

Associated Breweries Enters Washington

From Our Own Correspondent

LETHBRIDGE, Alta.—Associated Breweries, whose purchase of two breweries in Montana indicated its intention to get into the United States brewing business on a substantial scale, is now entering Spokane, Wash., where it will operate Imperial Beverage Co.

It is stated that in the State of Washington Associated Breweries will operate through a Washington company with $200,000 capital.

C. M. A. Asks Removal of Tax From Expense Materials

On behalf of the metal working industries, the Canadian Manufacturers' Association is making representations to the minister of finance to have the sales tax removed from expense materials used in manufacturing, The Financial Post learns.

Prior to the recent budget these items, which include tools, dies, drills, etc., used in manufacturing were not subject to sales tax along with raw materials used in manufacture. While raw materials are not now subject to tax, it has been extended to cover these expense materials.

Practically all industries are interested in this application of the sales tax, as dies, tools, drills, etc., are generally used in industry and this sales tax adds 6 per cent to the cost of these articles. The heavy metal industries, particularly the automotive industry are more vitally interested than many others owing to the large amount of these articles which they use throughout the year.

NO AGREEMENT BANKS' STATUS ON SECURITIES

Some Think They Should Not Sell or Underwrite Industrials

DREW FAVORS BAN

Banks' Record in Syndicate Underwritings Since 1927 Variable, But Better Than Average

Canadian bankers have as yet made no public statement as to their attitude on the operations of their securities departments. It has not been indicated whether this question will be among those dealt with at the next revision of the Bank Act, scheduled for 1934.

Winthrop W. Aldrich, chairman of the board of the Chase National Bank of New York, and who may become the No. 1 banker of the United States, has stated emphatically that securities underwritings and commercial banking do not mix. He has acted on his own advice. The bank's former securities affiliate, Chase, Harris, Forbes Corp., is being liquidated. Chase Securities Corp. is only to remain in existence to administer its present assets until they can be liquidated.

Some Canadian investment dealers feel that this policy should also be applied in Canada; that our banks should abandon their securities department in so far as they compete actively in the retail field and participate in syndicate underwritings. Some would only apply this to the bank's dealing in industrial and public utility securities because they feel that banks have been helpful as syndicate members and retailers for government and municipal securities.

Against Sale of Securities

Bankers, generally, have not expressed themselves for or against certain types of security dealings by their own departments. One banker recently gave the reasons for his bank's aversion to operation of an active securities department to The Financial Post, and his opinion was published in a recent issue.

His view was that it is not a proper function of a bank to intentionally divert deposits into long term investments; that it was not good business for his bank to compete with security dealers; that there is a danger in banks selling their own underwritings to clients, and that banks should always keep themselves in a position to advise impartially on customers' investments.

Lt.-Col. George A. Drew, chairman of the Ontario Securities Commission, in charge of the Security Frauds Prevention Act, is strongly opposed to banks selling industrial securities. This is how he put it to the Canadian Club at Montreal:

Col. Drew's Opinion

"One other thing in regard to protection of the investor: there is shortly to be a revision of the Bank Act. The banks should be compelled to stay out of the security field. I do not say that with any idea that the brokers have justified their exclusive right to that field, but with the banks coming very dangerously close to doing the same thing as was done in the United States, I say this to emphasize my point that they should be kept out of the field of the sale of industrial securities. . . .

"It is natural that the investor should follow the principle of caveat emptor in the case of the broker, but in this country he has been brought up to rely on the integrity of the banks, and when a man goes into a bank and sees securities for sale with the bank's name on them he has the idea that behind it is the security of the bank and that it is safe. And what do you think the feeling of the people is who saw their stocks drop when they were bought from banks? The banks of this country deserve all credit for the soundness of their system and if they want that confidence maintained it can only be maintained if repetition of these things is impossible in the future."

Operations of Canadian banks in selling securities fall into three classes: First, participation in underwriting syndicates; second, pur-

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Speaking of Shirts

Spring has arrived officially. No doubt you have much to think about, but you should spare just a moment of your time to consider the question of clothes and furnishings for the brighter days ahead. In Eaton's Men's Furnishings Department shirts of all styles and qualities at all kinds of prices await your attention. See these shirts and you will feel more than glad that Spring is here. Whatever the requirements of your wardrobe the wide range in styles and prices at Eaton's makes it almost certain that you will find just the shirt which the arrival of Spring demands.

Shirts From $1.95 to $2.50

MEN'S FURNISHINGS DEPARTMENT
Main Floor—Queen Street

T. EATON C° LIMITED

The Nation's Business

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mists if made by all the larger nations in concert.

* * *

MR. ROOSEVELT'S problem with regard to tariffs is peculiarly difficult. No doubt he would himself be willing to make a radical downward revision in the American tariff trusting that the net benefit to United States from such action would be very great. But tariffs are not written downward in the United States quite as easily as that. One must remember that in 1930, when the American tariff was raised, it was carried to a level that even President Hoover, a high protectionist, considered unwise. One must remember also that at the present time the protected interests in the United States are clamoring for some safeguard against the imports from countries with depreciated currencies. The measure adopted by President Roosevelt, that of negotiating bi-lateral reciprocity treaties with as many countries as possible, is one that is dictated by his internal political problem more than by anything else.

The reciprocity treaty with Canada is definitely on the cards and the fact that well-informed Washington opinion is discussing the possibility of opening up the American market to Canadian cattle, fish and lumber is indicative of the fact that the Americans are serious in hoping to broaden their trade arrangements with Canada. So far as can be adjudged from his advance comments, Mr. Bennett will go some distance in bringing about the treaty. It may be then that the Canadian-United States agreement will herald the dawn of a new era of tariff making throughout the world.

Such a policy based upon the precepts of sound economics rather than upon the practice of political economics in recent years is essential. International trade has been strangled and it is foolish to talk of a world-wide rise in commodity prices, and it is foolish to talk of monetary panaceas without an increase in the volume of goods exchanged internationally.

* * *

THE third question, the war debts, is probably the most difficult of all to handle. It is complicated by many factors; by the situation in Germany, by the military policy of France, by the foolish British action of making concessions before the time was ripe for them, by the appalling ignorance of middle-west opinion in the United States and by the difficulty of finding a compromise between the violently opposing views now held by different people. It may be that the question of war debts will be shelved by a series of moratoria until it can be dealt with rationally and on a basis of sane bargains. President Roosevelt is prepared to make the utmost concessions in regard to the war debts but being something of a political as well as an economic realist he is not prepared to make any bargains that cannot receive the approval of his country and his Congress.

* * *

IT IS forecast that the Washington meetings will pave the way for the startling "Grand Move" that will launch a world programme of economic reconstruction. All the world hopes so. Impoverished, despairing people must be given new straws to cling to, particularly as new worries threaten and, if they appear, will intensify the feeling of hopelessness. Germany, Russia and Japan are danger spots in the world's economic situation. The world is ill-equipped to take another first-rate shock from one of these or any other quarters. But the world is ready to start an aggressive forward movement given the right impulse.

Western Provinces Pile Troubles on Bennett

ADDED to the other problems with which the Dominion Government must deal, a first-class problem, both in public finance and in politics, is represented by the financial situation of the Western provinces. That of Manitoba, for several reasons, among them being the early maturity of some provincial bonds in New York, is apparently the most emergent. Manitoba cannot meet its obligations without assistance from the Dominion government, and the government of the province appears to believe that the Dominion not only should extend that assistance but is helpless to avoid doing so because of the effect on general conditions and upon the credit of the Dominion which default on the part of the province would entail.

When Manitoba appealed for help, however, and declared that default was inevitable if it was not forthcoming, Mr. Bennett laid down conditions upon which help would be granted. The first was that Manitoba must balance its budget, by economies, by new taxes or by both, and if balance should be impracticable, that the deficit must be reduced to less than a million dollars. Failing such action, Dominion assistance would be withheld unless the provincial government should virtually give up control of provincial finances by the appointment of a controller, who although he might be selected by the province, must be satisfactory to the Dominion government. The controller would have wide powers, and in the words of Premier Bennett's communication to Premier Bracken, which has now been made public:

> "It will become the duty of such controller, and to this end he must be empowered, to supervise all proposed expenditures, and thus ensure that no proposed expenditure can be made and no engagement involving expenditure undertaken without his approval. It will also be the controller's duty to make certain that all possible efforts are being made by your government and by the Legislature to raise revenue sufficient to meet your obligations, and until he is satisfied that every step is being taken and every effort exhausted to this end, no further assistance from the treasury of Canada can be favorably considered. The necessary steps by way of legislative and executive action will have to be taken by the province to give the controller the necessary powers, and to continue them so long as loans from the Dominion remain unpaid, or until the Government of the Dominion indicate that the services of the controller are no longer required."

For the immediate present the appointment of such an officer is evidently to be avoided by the efforts Manitoba is making to balance her budget, but it would appear that no real balance is likely to result, and that the lack of balance is going to mean further encroachment of interest charges, as the result of new borrowings, upon the resources of the provincial government.

Mr. Bennett's action in insisting upon sound finance in the provinces that are utilizing federal credit is exactly what The Financial Post has in the past urged.

* * *

IMPLICIT in the suggestions of Premier Bennett is the assumption that unless the provincial government should meet certain conditions he would be prepared to let the province of Manitoba default. Implicit in the Manitoba attitude is the assumption that the Dominion dare not let the province default. For example, the Manitoba Free Press declares its opinion that:

> "It will be the will of the people of this province that our government shall not crawl on hands and feet to him any more. If the disaster of default should come to Manitoba, in spite of every effort on the part of the people of this province to avert it, Mr. Bennett will find himself sharing the consequences. . . . There will be self registering financial consequences of a scope and promptitude that will considerably enlarge Mr. Bennett's knowledge of how these things work. He will learn for one thing that the public credit of Canada is one and indivisible, and that in this respect the interdependence of the provinces and the Dominions is complete."

If the latter sentence correctly expresses the fact, something evidently should be done about it. If the purchasers of provincial bonds automatically acquire a Dominion government guarantee, there is no reason why that guarantee should be made to cover the higher rate of interest which the lower credit of some provinces obliges them to pay. Some process of refunding provincial issues would appear to be indicated. On the other hand, if it is not the case, it will be well to examine both the probable process and the consequences of a provincial default. If the province is unable, with the maximum of effort to continue the full payment of interest which it agreed to pay, is there no process available for composition with creditors that can avoid complete collapse of provincial credit?

While the appointment of such a provincial controller as suggested by Mr. Bennett is necessary to protect the federal treasury, in the long run it is only the people of Manitoba, acting through their own institutions, who can re-establish the credit of the province.

* * *

THIS would appear a good time to re-examine the political structure of the provinces to see if it is not possible for them to get along with an altogether simpler instrument of government than they now possess; to enquire whether it is necessary for small communities to carry all the burdens of an excessive Parliamentariarism and the trappings of a sovereign state. Undoubtedly some of the functions performed by the provincial organizations could be dropped, undoubtedly others could be transferred to advantage to the Dominion.

Not even a restoration of prosperity such as formerly existed will enable Canada to carry the expensive and altogether unnecessary governmental structure which now weighs so heavily on this country. There is now an opportunity, in connection with Manitoba to tackle the problem of simplification.

J. T. Thorson Asks Con. Invest. Corp. For Investigation

J. T. Thorson, K.C., of Winnipeg, has written an open letter to Consolidated Investment Corp. of Canada, requesting that the company submit its books of accounts and records to an independent enquiry and investigation, at the expense of the company, to be made with the object of informing the bondholders of the part played by Wood, Gundy & Co. or any of its directors in the incorporation, organization and conduct of the company.

Mr. Thorson read a statement at the meeting of bondholders called for March 22 in which he said that he would have pressed for a similar enquiry if there had been a quorum. Specifically he desires to have a statement and explanation with regard to all exchanges of bonds and stocks between Wood, Gundy & Co. and Consolidated Investment Corp. of Canada from the commencement to the present time and with regard to terms of participation in underwritings, syndicates and other ventures by the two companies. He desires also to have studied whether or not at the time of purchase each investment of the company was a proper investment and what responsibility directors have for the present position of the company.

Mr. Thorson concluded by asking that further consideration of any plan of reorganization be deferred until after such an enquiry as he suggests has been made and its results have been made known.

SURVIVAL OF FITTEST FORCED BY INTERNATIONAL

(Continued from page 1)

new ruling of International Paper Co. currently amounts to around 2,500,000 tons. A rebate of $5 a ton will save over $12,000,000 to the publishers in their outlay for newsprint.

Of this sum Canadian newsprint manufacturers will contribute approximately $5,000,000 for the last nine months of 1933. During 1932 shipments from Canada to the States totalled 1,520,293 tons. Current demands are somewhat less, but it is likely that consumption for the last nine months will run around 1,000,000 tons.

Prices Below 1914 Level

The extent to which newsprint prices have been reduced in the last decade is not generally appreciated. In 1914 manufacturers in the Grand 'Mere area of Quebec received at the mill $40 a ton on shipments to Baltimore, Boston, Chicago, New York and Pittsburg.

Where shipments are made by rail and allowing for the $5 discount, these same manufacturers would receive today $33 a ton on shipments to Baltimore; $32.30 a ton to Boston; $32.90 a ton to Chicago; $33.80 to New York; and $34 a ton to Pittsburg.

Even where shipments are being made by water, which is only possible during the summer months, manufacturers in the Grand 'Mere area are receiving less for their newsprint today than they did in 1914.

Revenue Loss Serious

The present discount, which will have to be followed by other manufacturers, is expected to bring in its wake serious financial difficulties for many operators. Few, if any, operated at a profit last year. On the present scale of operations of between 40 and 45 per cent of rating, and with a considerable larger tonnage, the manufacturers cannot operate at a profit.

Liquidate Bank Loans

Were it not for the fact that the banks have made large loans to the operators, some of them would not be operating today. Mills have been kept running for the purpose of enabling the bank loans to be liquidated. Woods operations have been at a minimum for more than two years and mills have been using up the wood supply stored on their property some time ago.

Graustein's latest move is regarded as final attempt to force the weaker companies out of business. The withdrawal of inefficient, high cost mills which have been a retarding influence in any attempt to bring about market stability, would go a long way toward putting the industry on its feet.

Woodpile Saving Factor

It is known that several mills could not operate today were it not for the large woodpiles carried over from other years. As soon as this wood is used up—there will be very few woodpiles by the end of this year—it will be necessary to buy more pulpwood or carry out woods operations.

Need More Capital

In order to do this it will be necessary to go to the banks and secure more loans. It is to be doubted if any bank will encourage such applications. The banks now have a problem on their hands of liquidating the collateral against present loans and would be unwilling to commit themselves further in financing the purchase or cutting of wood which would have to be sold at a loss under present conditions.

With the banking support withdrawn several companies will have to cease operations. Outside capital might be secured, but this is highly improbable until there are more definite indications of an improvement in the industry.

Face Critical Period

The next nine months, therefore, will be the most critical period in the history of the industry. It appears inevitable that more than one manufacturer will be unable to withstand the pressure. The financial position of all operators is such that those with high cost mills will not be carried on indefinitely by the banks.

Even the receivers of bankrupt properties will not fare any better than those who have managed to keep their heads above water. Two insolvent mills have been to the fore in securing business at any price. Under the new price schedule it will not be so easy to secure working capital. This may bring a tightening up on unrestrained efforts to secure new business and help to stabilize the market.

Sets Forth Situation

The present situation in the newsprint market is more fully set out in the attached review issued by International Paper Co. with the announcement of its new price policy:

"Publishers generally are aware of the difficulties now facing the newsprint industry. They realize the importance of a stabilization of newsprint prices at levels that will enable efficient mills, conservatively capitalized, to earn a living and continue to serve the best interests of their customers.

"They know that this is not the situation today, that of the seven largest newsprint companies, which controlled 70 per cent of the tonnage east of the Rockies, five have stopped paying their bond interest and either have been reorganized or are (in whole or in part) in receivership, bankruptcy, or in the hands of their bondholders, and that the remaining two, including International, have reported deficits. They know that these signs of distress appeared in large part when newsprint was at a higher price and the volume of consumption greater than today.

Concessions Are Costly

"They know that the newsprint industry, faced as it is with the possibility of inflation coming and bringing higher costs with it, and faced also with the necessity of financing heavy raw material inventories to ensure continuous operation, can ill afford to make concessions at this time.

"They appreciate these problems of the newsprint industry and are prepared to co-operate with it to a great extent. It is necessary, however, that the newsprint industry itself cooperate to save itself. When it fails to do this and widespread concessions in price, open or secret, become oppressive to publishers paying the established price, then these publishers expect from their own sources of supply such adjustment in price as will bring about a fair equilibrium of prices as between competing publishers and as between different sections of the country.

"That is what has happened in the newsprint market. Open price cuts and secret concessions, even though made for the most part by insolvent mills, have brought about such a situation as forces a further reduction in a price already too low.

"International has recognized these facts reluctantly, and has acted today with the fullest appreciation of the gravity of the situation to the investor whose losses have already been so heavy. The welfare of the industry in the last analysis depends upon the ability of these investors to bring about its stabilization along sound lines."

STOP AND SHOP NET EARNINGS SHOW GOOD GAIN

Working Capital Strengthened and Bonds Retired

Stop and Shop net earnings in 1933 amounted to $105,211 and net profits were $12,322 after bond interest, depreciation and taxes.

Working capital was strong, current assets being 2.18 times current liabilities. Cash stood at $145,844, merchandise inventory at $319,153. Accounts receivable stood at $21,358.

Current liabilities included accounts payable and accrued expenses of $217,269 and accrued interest on bonds of $16,105.

Fixed assets, less reserves, were $1,152,717. Against this on the liabilities side are $666,500 of 6 per cent first mortgage sinking fund bonds due April 1, 1947. There is also a contingent reserve of $118,759 on fixed assets.

Profit and Loss Account
Year Ended Feb. 25

	1933
Net earnings	$ 105,211
Less: Bond interest	41,110
Depreciation	50,019
Prov. for income tax	1,760
Net profit	12,322
Add: Profit on bonds red.	11,650
Surplus	23,972

Working Capital

	1933
Current assets	$509,641
Current liabilities	233,374
Working capital	276,267
Ratio	2.18—1

Retired $25,000 in Bonds

This is the first annual report of Stop and Shop, Ltd., and it combines the operations of the predecessor companies. It is difficult to make a comparison because of this fact but the president, in his report to the shareholders, draws attention to the improvement in the condition of the business. The predecessor business had shown a deficit of $85,259, in the year ended February 27, 1932, and consequently there has been an improvement in net earnings of $99,341.

The net current assets of $298,861 he compares with net working capital of $213,164 in the preceding year. This improvement resulted from two things: first, the sum of $38,949 deposited with the trustee for bondholders reimbursed the company for subsequent bond interest payment; and, second, the remaining $46,749 results from net earnings and the portion of the depreciation reserve which was not used either for renewals or in buying bonds for retirement.

During the year, $25,000 in principal amount of first mortgage bonds were purchased and cancelled.

Sweezey Favors Toronto Plan On Beauharnois

Toronto and Montreal groups, who are in opposition to the Montreal Power plan for the reorganization of Beauharnois Power Corp. have held long conferences in Montreal this week and will present a united front, it is anticipated, to the reorganization plan sponsored by the Beauharnois protective committee. Within a few days it is probable that security dealers throughout Canada will be given the details of the opposition plan practically as outlined in The Financial Post of April 8.

R. O. Sweezey, former president of Beauharnois Power Corp. who is reputed to hold one of the largest blocks of debentures is quoted as stating that he believed the opposition group was strong enough to carry out their undertaking and that there is definite assurance that the proposed issue of first mortgage will be underwritten. Mr. Sweezey stated that plan of the Toronto-Montreal group "is assuredly more advantageous to the investors than the one advanced by the bondholders' committee."

UNIT OPERATION CHIEF OIL AREAS IS URGED IN U. S.

(Continued from page 1)

under any plan adopted by President Roosevelt's proposed commission because of its holdings in Texas and Oklahoma.

Imperial Oil would be affected indirectly because the price of crude products from its huge holdings in Peru and Colombia is set by the mid-Continent price, and anything which leads to greater economic security in the industry would reflect on conditions in the world at large.

Imperial Oil's subsidiaries in Peru and Colombia have adopted unit operation from the beginning and results have been accordingly far better than in the United States and Canada. The development of huge tracts by one company has proven beyond all doubt to be the best way and as a result it is expected that the oil resources of Columbia and Peru will last longer than if developed in any other way. They would have been quickly dissipated if similar methods to those used in the United States had been adopted.

OF PROVEN STRENGTH
The great bridge stands firm upon bedrock; the changing waters which flow past it only prove its strength. The Royal Bank is solidly established upon sound practice and experience; the changing years have served to demonstrate its stability.

THE ROYAL BANK OF CANADA

"A Distinct Personality"

Head Office Montreal

Said an old customer of the Bank of Montreal: "A bank has a personality just as distinct as that of an individual."
The personality of the Bank of Montreal, created by its founders and perpetuated by their successors, is reflected in the substantial character of its clientele and expresses itself through more than 550 Branches.
Elements of the personality of Canada's oldest bank include unwavering strength and conservatism, helpful, efficient service, and thorough knowledge of local conditions wherever it is represented.

BANK OF MONTREAL
Established 1817
TOTAL ASSETS IN EXCESS OF $750,000,000

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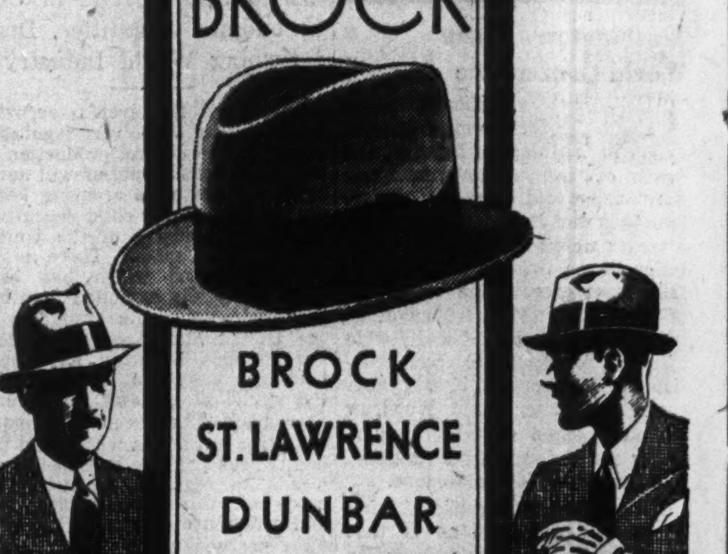

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WHEREVER WELL DRESSED MEN CONGREGATE

A man should dress to please others as well as himself... you can't make an up-to-date impression with last year's hat.

WOLTHAUSEN, BROCKVILLE
Hatter to gentlemen for over half a century

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In leathers, in workmanship, in style, Simpson Supremacy Shoes lead the way. They're made by the Slater Shoe Company especially for Simpsons and no effort has been spared to make them the best shoe value obtainable at $8.

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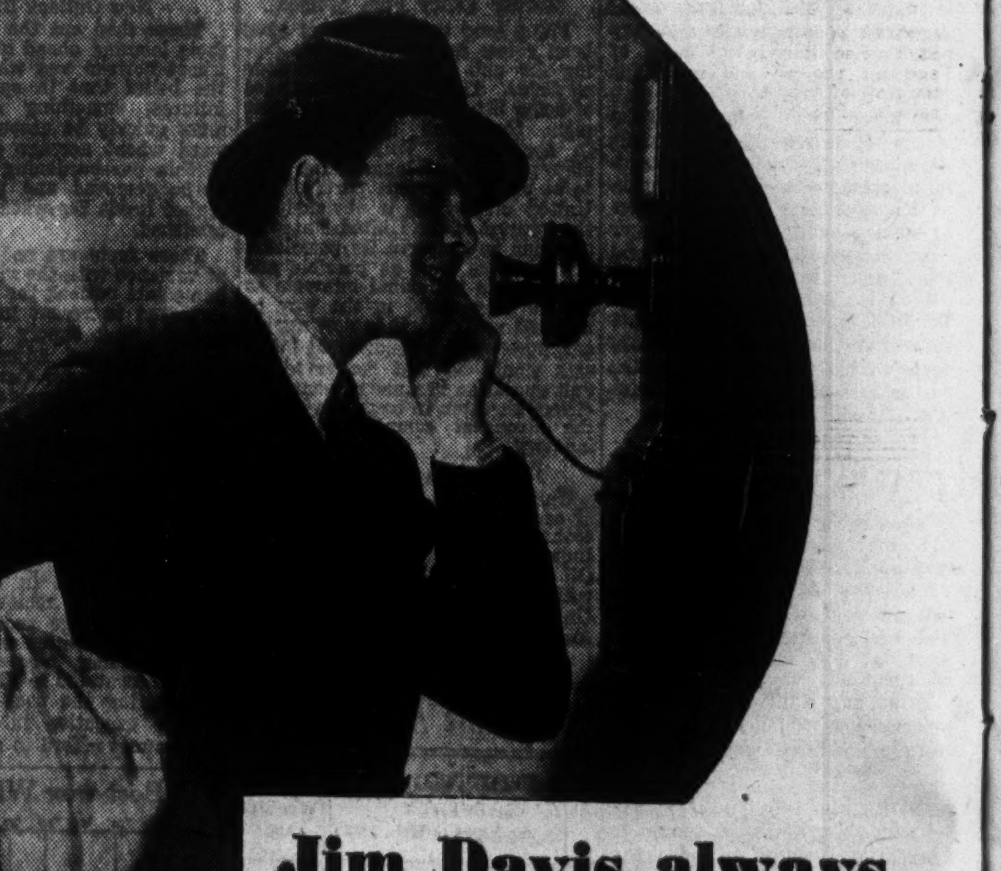


ASK ABOUT Short Period Talking Service. It provides direct Long Distance communication for specified daily periods between offices and plants in distant cities. The cost is considerably less than ordinary Long Distance.

THE BELL TELEPHONE COMPANY OF CANADA

Jim Davis always telephones ahead

Young Jim Davis has learned the value of Long Distance in selling. Before leaving a town, he telephones ahead to his principal customers in the next town. The result is that he sees everyone he should see according to schedule and the time he would otherwise waste cooling his heels in an anteroom is used in digging up new prospects. No wonder the Sales Manager regards Davis as the most effective salesman on the staff — and the most economical.

Graustein's Efforts To Pull I. P. Through Are Keenly Watched

Drop in Newsprint Demand and Price Impairs Earning Power of Big Enterprise Operating from Newfoundland to the Gulf of Mexico

PLACED COMPANY IN DOMINANT POSITION

Current Year Regarded as Critical Time in Corporation's Affairs — Solution of Newsprint Industry's Problems Would Prove Great Boon—Banks Back Graustein in Policies That Do Not Always Please Newsprint Committee

From Our Own Correspondent

MONTREAL.—Operators, bankers and others interested in salvaging something out of the wreckage of the Canadian newsprint industry look forward to the day when their path may be made smoother by the displacement of International Paper and Power Co. as the dominant factor in the newsprint situation.

The belief has grown over the last two years until it has almost become a fetish that the re-establishment of the newsprint industry cannot be effected on a lasting basis until I. P. goes under.

Every difficulty confronting the industry has been placed on the doorstep of this so-called "American Octopus." When such has been to the advantage of its competitors, I. P. has been accused of breaking agreements, cutting prices and all other evil deeds outside the pale of modern business ethics.

International Paper is truly international in scope of operations. Its assets of several hundred millions of dollars are distributed in Newfoundland, Canada, the United States and other countries. It is the world's largest manufacturer of pulp and paper products; is an important producer of lumber; and controls power producing properties and distribution systems making it one of the largest utility concerns in the world.

King-pin of Newsprint

Back of this enormous organization is an unobstrusive, rotund, bespectacled lawyer by the name of Archibald R. Graustein—the king-pin of the newsprint industry on this continent. His ability is admitted by friends and foes alike, but he is not popular—at least with his Canadian competitors whom he has out-smarted on many occasions.

It is to this man that International owes its dominant position in the newsprint trade today, and whom the company's bankers and security holders look to as the one man who can bring the enterprise through the present crisis. He is responsible for the policies and development plans of the last eight years which have elevated International from a minor position to one where it virtually dictates the policies of the newsprint manufacturers in relation to the consumer.

Graustein is one of the youngest of the big-gauge executives in the United States or Canada. In 1907, at the age of 22, he had graduated from Harvard and was admitted to the practice of law before the Massachusetts bar. For the next 15 years his legal experience was not unlike that of other young lawyers.

Opportunity With Depression

In the early post-war period his big opportunity came. At that time he was associated with the Boston legal firm of Ropes, Gray, Boyden and Perkins, solicitors for Harris, Forbes & Co.

Harris, Forbes & Co. had been interested in financing the Kipawa pulp enterprise, one of the units going to make up Riordon—first of the big Canadian pulp and paper companies to go into bankruptcy.

Graustein was sent to Canada by Harris, Forbes & Co. to protect the interests of the Kipawa bondholders.

Meanwhile another series of developments had taken place which were to have an important bearing on Graustein's future activities. Back in 1898 International Paper Co. came into being. This company brought under one control roughly 85 per cent of the newsprint tonnage in the United States. Back of this merger were the Phipps' of Chicago, and the Chase National Bank, of New York.

Between 1898 and 1920 the consumption of newsprint in the United States had increased at an average of 6 per cent per annum. At the time of the formation of International Paper Co. there was a tariff on imports of newsprint into the United States and there were no mills in Canada. In 1911 the tariff was removed and the development of the newsprint industry in Canada got underway.

I. P. Lagged Behind

Meanwhile International Paper had not kept pace with the procession. New mills were being built and taking a share of the market. Other companies expanded operations and secured a larger share of the business offering.

From having control of around 85 per cent of the American newsprint market in 1898, International's operations shrunk steadily and in 1924 its business amounted to only about 15 per cent of the United States' needs.

It was apparent at this juncture that something would have to be done to restore International to its former place of dominance in the newsprint trade. That meant a radical change in policy and the adoption of a plan of developments to place the company in a position to adequately meet the changed conditions.

Offered Big Task

Graustein's work on the Riordon liquidation had come to the favorable attention of interests close to International, more especially the Chase National Bank officials. He was approached to take over the task of rebuilding International.

At this time Graustein was 39 years of age. His legal experience had been extensive, but his practical experience in the manufacture and marketing of pulp and paper was largely confined to his association with Riordon. In that short time, however, he saw the possibilities of the newsprint industry in Canada and the States.

Had Definite Ideas

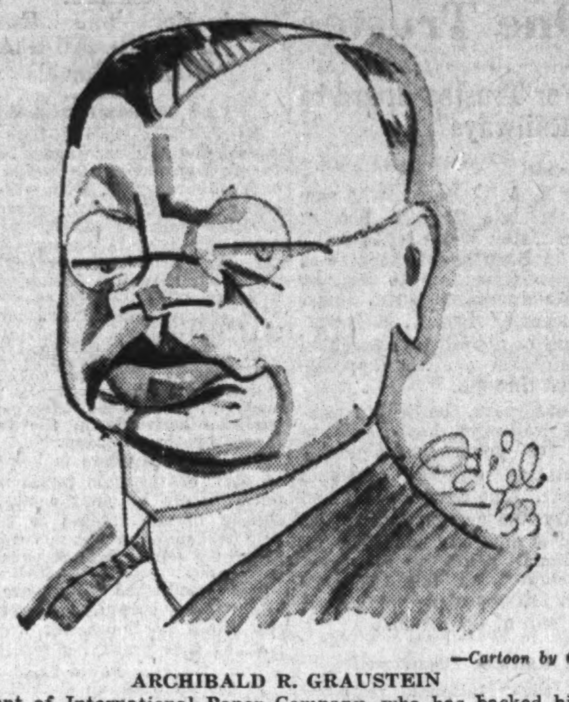
The offer to take over International was the highlight of his career. Many others would have jumped at the proposition, but Graustein was of different calibre. He had definite plans of his own for the building of a newsprint organization which would have as its foundation mills in Canadian territory.

Before accepting the International offer Graustein made it clear that if he took over the job he would expect that his policies and plans would be carried out in their entirety. One of the stipulations was that International should purchase the Riordon property, the value of which Graustein fully appreciated.

Enters Picture in 1924

In 1924 Graustein became president of International Paper Co. He started out with a definite plan of development embracing a period of years. Force of circumstances have made him change this plan in certain particulars but in principle the developments recently completed are those which were decided upon nearly ten years ago and before the newsprint industry worked itself into such desperate straits as it finds itself in today.

His Three Million Is In



—Cartoon by Cecil.

ARCHIBALD R. GRAUSTEIN

President of International Paper Company, who has backed his faith in his expansion programme with multi-millions of public money and a few millions of his own. Some vindictive souls are hoping to see his crash. His job is to outride the depression.

Build in Canada

Graustein's plan of development primarily was to take advantage of the unexcelled resources offered by Canada. The first step was the acquisition of the Riordon properties and timber limits along the Gatineau. In acquiring these timber limits International also secured two of the three big power sites on the river. Later they bought the third undeveloped site from the Canadian Pacific Railway paying over $1,000,000 for the rights.

It is a well-known axiom that newsprint and power go together. The physical developments carried out by International in Canada and elsewhere, therefore, have usually been a combination of pulp and paper plants on the one hand and power plants on the other.

Enter Power Field

Gatineau was the first mill built by International in Canada under Graustein's regime. Coincident with this undertaking International started the development of three power sites on the Gatineau River. It was decided to develop the full economic flow of the river. The power thus made available was far in excess of the newsprint mill's requirements. A contract was entered into with the Ontario Hydro Electric Power Commission and other users whereby the majority of the power generated was sold on long term and favorable contracts.

Stake in Newfoundland

The benefits arising from the purchase of the Riordon property caused the company to take over the property of the Newfoundland Power and Paper Co. This was a joint undertaking of the Newfoundland and British Governments and the Armstrong-Whitworth Co. of Great Britain.

The Armstrong-Whitworth people could not make a go of this enterprise and when the two governments were faced with liabilities in connection with their guarantee of securities, the property was turned over to International Paper Co. in January, 1928.

Didn't Want Dalhousie

By this time conditions in the newsprint industry were beginning to take a turn for the worse. Despite the uncertain outlook International went ahead with the development of the Dalhousie newsprint plant and, at the same time, the development of the power site at Grand Falls.

International has been frequently blamed for the construction of this mill because it added to the over-capacity of the industry and made the situation more acute.

In fairness to International, it should be pointed out that the original programme of development did not provide for the construction of this mill. It was in order to protect its interests in the province, that the company had to go ahead with the construction of this plant even though conditions did not warrant its construction.

Switch to Canada

The net result of the extensive expansion programme carried out in Canada and Newfoundland by International has been the switching of tonnage from the older and less efficient mills in the United States to the newer mills in the north. As far as newsprint production is concerned, the major share of I. P.'s requirements is met from the Canadian and Newfoundland properties.

Developments in the United States were not neglected. There the company is a large manufacturer of various grades of fine paper and kraft. It also has developed power sites, purchased distributing systems and in New England Power Association has built up one of the largest utilities in the United States.

Centralize Organization

During the period of expansion no attempt was made to bring about a closer cohesion of the company's many activities and properties. For years all work was carried out under the name of International Paper Co. With the plan nearing completion, however, steps were taken to centralize control.

The spear-head of this widespread organization is International Paper and Power Co. From it come two main subsidiaries, International Paper Co. and International Hydro-Electric System.

International Paper Co. controls the paper properties in the United States and through Canadian International Paper Co. the pulp and paper properties in Canada and Newfoundland.

International Hydro-Electric System has two main subsidiaries—New England Power Association and Canadian Hydro-Electric Corp. New England Power controls the power producing and distributing systems in the States, while Canadian Hydro controls Gatineau Power, St. John River Power Co. and other properties in Canada.

Financing Was Heavy

In order to carry out this expansion programme, involving several hundred millions of dollars, it was necessary for the company to go to the public for large sums of money. Its principal financial bankers have been the Chase National Bank and Harris, Forbes & Co.

Graustein's whole plan and policies were predicated upon the establishment of an earning power, calculated on a conservative basis, which the organization has not been able to reach. A large part of the capital expenditures have been funded, while heavy loans have been made and are being carried by the banks.

Earnings Are Limited

The carrying charges of these fixed obligations constitute a tremendous burden for International Paper and Power Co. for while the development programme has been completed, the properties have not had the opportunity of proving their earning power.

The manner in which earnings have been limited can best be described in Graustein's own words: "If we had not had the depression reducing our sales and had not had the corresponding price reduction, we would be making at least $15,000,000 a year more than we are making." This statement was made in January, 1933, when Graustein was describing the effects of the current newsprint situation on the company's earnings.

Doubt Future Life

International today is regarded as an organization with great potential earning power but with actual earnings on such a limited basis that doubt is freely expressed as to the ability of the management to pull the company through the depression without undergoing a reorganization.

It has been necessary for the company to omit the payment of dividends in order to protect its cash position. Funded debt changes have been met to date—a condition equalled by few other pulp and paper enterprises.

Has Another Task

Graustein has completed the first part of his work with International in restoring the company to its former position of pre-eminence in the newsprint field. His second task of directing the company until such time as its earnings are ample to take care of all charges and return a dividend on junior equities is underway.

Graustein's backers have confidence in him. He told them what it would cost to carry out his development programme. He was right. The outlay was within one-half of one per cent of what he originally estimated.

I. P.'s Problem General

International's greatest problem is one common to the Canadian newsprint operators, namely, declining consumption, lower prices and instability of market.

Several of the Canadian companies have not been able to carry the load and have gone under. Before this happened a committee was formed of banking interests in an endeavor to hold the industry together and formulate a common policy for the operators. This committee largely represents the Bank of Montreal, Royal Bank of Canada and the Canadian Bank of Commerce, who have made large loans to the operators. Their representatives are E. W. Beatty, Morris Wilson and G. R. Cottrelle.

This committee has met with the operators. International on account of its dominant position in the trade and large stake in Canada has been represented at these meetings by Graustein.

Lack of Policy

Despite many lengthy conferences held by the committee and operators, no common policy has been concluded. Canadian operators blame the lack of unity on International. International on the other hand has made substantial concessions on several occasions in order to keep the situation from getting out of hand. Also it is in a different position from the practically-bankrupt Canadian companies in that it has more at stake and is doubly cautious in any move that is contemplated.

It is well known that Graustein and the newsprint committee have not always seen eye to eye as to the best solution to the newsprint industry's troubles. He has been accused of blocking plans for rehabilitation. Graustein, however, has his own ideas as to the extent to which International can co-operate with the Canadian operators, and will not be unduly influenced by the plight of his competitors.

Wants Solution Badly

It is a mistake to say that International is not interested in a solution of current newsprint problems. It is of importance to International that a solution should be found. It has a larger stake in Canada than any other operator and if International's programme is to be carried through successfully, it stands to reason Graustein would accede to any plan put before the operators which would not unduly impair the position of his own company.

Events of the past have proven that the policies of the Canadian operators have not been particularly far-sighted. On the other hand, Graustein by his own policies has managed to keep his organization above water; a statement which cannot be made about the majority of his competitors.

There are many who believe that if International can come through the present year, it will weather the storm. But there are those who believe that a solution of the newsprint situation will not be found as long as Graustein directs the policies of International.

Big Personal Stake

Irrespective of what degree of co-operation is given to the other newsprint manufacturers, Graustein's main interest is in seeing International Paper and Power Co. through the present period of financial difficulties. He is not as belligerent as some of his opponents in the newsprint trade but he has sufficient bull-dog tenacity to complete the job he undertook in 1924. Not only has he got to justify the confidence placed in him by several thousands of investors who gave him tens of millions of dollars to carry out his development programme, but he has to justify his own confidence in International for he has personal cash investment of more than $3,000,000 in the enterprise.

ELECTRICAL FIRM SUGGESTS METHOD TO CREATE JOBS

Urges Spending on Conduits by Municipalities in Booklet

As a means of helping the present employment situation the replacement of overhead electric wiring by underground cable is being urged by Northern Electric in a booklet published by them entitled "Public Works Which Are Justified in the Present Crisis." The booklet, which is directed to municipal and other authorities, argues the utility of this type of public work, pointing out in an example used that 54.9 per cent of the cost of the job went in wages.

It is stated that the inspiration of the booklet was an article by Sir Josiah Stamp, G.C.B., D.Sc., which appeared in Barron's Weekly in November of last year and in which he stated that the action of public authorities in using their income to pay off bank overdrafts and generally improve their position, while gratifying to the authorities in question, was simply suicidal in its consequences from the national standpoint.

Need Expert Supervision

Any public works which may be undertaken to provide employment should be done under expert supervision, with the maximum use of labor coincident with the maintenance of costs at the lowest possible level, the booklet states. Public works which are undertaken should first be examined from a number of angles, these being classified under five heads in the booklet. Briefly they are: employment, benefit to community, new undertaking or extension, revenue producing or not, effect on future employment.

Labor Costs High

Underground conduits satisfactorily answer all five angles of examination, the booklet states. An analysis of a conduit job costing approximately $125,000, from the point of view of employment is given, in which it is shown that in this case 18,161 man days employment were provided, wages making up 54.9 per cent of the cost of the job. This labor consisted of 14,493 direct man days (mainly pick and shovel work) and 3,668 man days indirect labor in the production of materials.

Ten advantages of underground electrical systems over overhead were set up by the electrical commission for the City of Montreal in 1930 and are reprinted in the booklet. They may be summarized as follows:

Advantages of Conduits

1. Fire department work in erection of apparatus facilitated. Elimination of need to shut off power in case of fire.
2. Improved appearance of streets when poles have been removed.
3. Modern and flexible street lighting system.
4. Up-to-date fire alarm and police signal systems.
5. City pumping stations being gradually inter-connected underground electrically, to ensure greater reliability.
6. Further damage to trees by overhead wires avoided.
7. Electrical services rendered immune from wind, lightning and sleet storms.
8. Elimination of danger to public from falling wires, poles, etc.
9. All kinds of electrical services improved on change-over from old system built up in piecemeal manner.
10. Enlarged capacity to take care of future expansion without cutting up of streets or erection of poles.

Port of Montreal Breaks Own Record

From Our Own Correspondent

MONTREAL.—Imports through the harbor of Montreal during the 1932 season of navigation attained a new peak in the history of the port and a successive increase for the last five years is indicated. Import tonnage handled last year was 4,036,045 tons, compared with 3,568,542 tons in the previous period, an increase of 467,503 tons.

Noteworthy increases were recorded in imports of British coal, the total handled inward being 1,172,798 tons, a gain of 420,323 tons. Raw sugar imports totalled 1,345,084 tons, an increase of 30,000 tons.

Comparison of Tonnage

Following is a comparison of import tonnage handled through the port of Montreal in the last nine years:

Year	Tonnage
1932	4,036,045
1931	3,568,542
1930	3,376,182
1929	3,256,991
1928	2,543,685
1927	2,693,536
1926	2,028,051
1925	2,965,557
1924	1,472,933

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That is why McLaughlin-Buick is considered today's outstanding automobile investment. *Own a McLaughlin-Buick and the world respects your motor car choice.*

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NEW FISHER NO-DRAFT VENTILATION (Individually-Controlled) prevents drafts and clouding of windshield and windows in stormy weather.*

NEW STRAIGHT EIGHT ENGINE. Suspended in rubber at five points, giving smoothness with stability.*

NEW BODIES BY FISHER of Wind-Stream design are larger and roomier*—with new style upholstery.*

NEW X-TYPE FRAME, very rigid and durable—plus McLaughlin-Buick's Torque Tube Drive—gives exceptional road-steadiness* and long life.

NEW AUTOMATIC SHOCK ABSORBERS* automatically control the ride, assuring real comfort on any road.

AUTOMATIC CLUTCH CONTROL, with Silent-Second Syncro-Mesh Transmission* and Controlled Free Wheeling, gives great driving ease and safety.

NEW SAFETY GLASS* is standard equipment in Windshield and Ventilators of all McLaughlin-Buick models.

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33-2

Utilities and Transportation

SHAWINIGAN EARNS 27 CENTS A SHARE FOR 1ST QUARTER

Power Output on Better Scale Than in Same Period of 1932

From Our Own Correspondent

MONTREAL. — Coincident with the declaration of a quarterly dividend of 12 cents payable on May 15 to shareholders of record April 21, the Shawinigan Water and Power Co. announce that net operating revenue, after general operating and maintenance expense, power purchase, water rentals, taxes, insurance and United States exchange, totalled $1,621,047 for the first quarter of 1933 as against $1,836,649 for the corresponding period of 1932.

Fixed charges for the first three months of the current year show an increase as compared with the initial quarter of last year, amounting to $1,028,101, as against $988,646 a year ago. Surplus available for distribution on the capital stock, before depreciation and income tax, amounted to $592,945 this year as against $848,001 in 1932. This is equivalent to 27 cents a share on the outstanding capital stock compared with 38 cents a share for the first quarter of 1932.

Larger Power Output

Power output of the company for the first three months of 1933 showed an improvement over the corresponding month last year. The total generated and sold to the end of March aggregated 892,229,350 kw.h. as against 816,947,702 kw.h. for the corresponding quarter last year, an increase of 9.2 per cent. This increase was due to the fact that a greater amount of secondary power is being sold. For March alone, the week-day output averaged 10,150,000 kw.h. compared with an average of 9,098,000 kw.h. for March, 1932.

The income account of the company for the first quarter of 1933, together with comparative figures for the same period in 1932, follow:

First Quarter

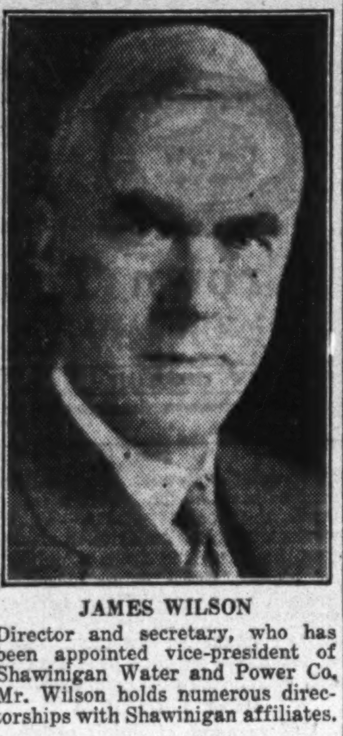
	1933 $	1932 $
Gross revenue	3,001,203	3,246.164
Expenses:		
Gen. oper. & maint. expense	526,266	654,055
Power purchased	*436,604	377,706
Water rentals	91,258	79,152
Taxes & insurance.	172,281	158,803
U. S. exch. on fixed charges	153,747	180,000
	1,380,156	1,409,516
Net oper. revenue	1,621,047	1,836,648
Fixed charges	1,028,102	988,647
Surplus before deprec. and income tax	592,945	848,001

*Includes U. S. exchange of $59,702.

More Power for Dominion

The Dominion Water Power and Hydrometric Bureau of the Department of the Interior reports that water wheel on turbines actually installed in Canada in 1932 and brought into operation resulted in the net addition of 378,923 horsepower to the Dominion's total, bringing it to a figure of 7,045,260 horsepower.

New Vice-president



JAMES WILSON

Director and secretary, who has been appointed vice-president of Shawinigan Water and Power Co. Mr. Wilson holds numerous directorships with Shawinigan affiliates.

'Peg Electric Head Foresees Receivership

From Our Own Correspondent

MONTREAL.—Receivership for the Winnipeg Electric Co. is not remote, according to a statement made by Edward Anderson, K.C., president, before a committee of the Manitoba legislature when applying for relief from taxation on the company.

It was suggested by Mr. Anderson that the whole transportation problem of Greater Winnipeg be referred to an independent board for settlement. Bondholders were awaiting the outcome of present efforts to relieve the company of the payment of 5 per cent of gross earnings and paving and snow removal charges to the city provided for in the present contract. The president declared that if the results of these efforts were unsatisfactory steps would be taken to place the company in receivership.

For several months past Winnipeg Electric has been attempting to secure a revision of its franchise, under which the company is obligated to pay various charges which are regarded now as being an onerous burden for the company to carry. Extensive negotiations have been carried on between the company and the city, while the Manitoba Utilities Board has been brought into the affair. The city refuses to accede to the demands of the company so that the company has taken the matter to the Manitoba legislature in an effort to secure relief.

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I. P. REPORTS LOSS OF $8,757,728 NET AFTER CHARGES

Preliminary Figures Show Gross Sales Drop 12 Per Cent

From Our Own Correspondent

MONTREAL.—Preliminary figures on results of International Paper and Power Co. in 1932 indicate a net loss of $8,757,728 after depreciation, amortization, interest, taxes, subsidiary preferred dividends, and other charges. This contrasted with a net profit in 1931 of $618,239 or 67 cents a share on 919,919 shares of 7 per cent preferred stock. Figures in the annual report are taken at parity of exchange; any profit or loss on exchanges at the time funds were actually transferred was taken into current operations.

Gross sales for the year were $129,531,271 compared with $147,695,229 in the previous year, a drop of 12 per cent and gross income was $35,869,193 against $40,219,837. Surplus declined from $11,961,887 to $3,204,158.

Total Assets Lower

Balance sheet shows a decline of $12,000,000 in total assets which amount to $887,283,254. Working capital is lower totalling $19,938,931 compared with $22,886,304. Current assets of $60,513,505 at the close of last year included cash of $9,487,058 an increase of $1,853,000 over 1931. Current liabilities total $40,574,674, noteworthy was a reduction of $8,400,000 in notes payable which totalled $27,984,247.

Other balance sheet changes included an increase of $1,400,000 in plant account which is valued at $731,724,907; funded debt increased by $3,173,000 of which $2,227,806 will mature during the current year, while depreciation reserve has been increased by $5,500,000 to $99,359,509.

More Highlights From C. P. Report For Past Year

From Our Own Correspondent

MONTREAL.—With the release of supplemental statistics to the annual statement, more facts are available on operations of the Canadian Pacific Railway during 1932. In the editorial comment upon the main report several interesting highlights were brought out. These are supplemented by the following culled from the additional schedules:

Sale of $12,500,000 convertible ten year 6 per cent collateral trust bonds netted the company $12,214,216.

Canadian Pacific Railway received a loan of $1,447,222 in 1932 from the Dominion Government account Unemployment Relief Act 1931.

$5,000,000 of short term notes were sold at par by the Canadian Pacific.

$240,000 of Aroostock Valley Railroad capital stock cost the Canadian Pacific Railway $469,520 or $195.60 a share.

14,553 share of Consolidated Mining and Smelting Co. of Canada stock cost the Canadian Pacific $1,018,684 or $69.99 a share.

Excluding contracts cancelled and adjustment of land inventory values, but including immigration and colonization expenses, the Land Department of the Canadian Pacific had a net deficit of $1,073,858 in 1932.

Four vessels of an agregate gross tonnage of $4,630 were disposed of by the company in 1932. Ocean and coastal steamship fleet of the C. P. R. now numbers 50 vessels with a gross tonnage of 462,414, as against 54 vessels with a gross tonnage of 467.044 in 1933.

Montreal and Atlantic Railway is now a fully owned subsidiary of the Canadian Pacific, the company having bought $1,053,000 of first mortgage bonds at cost of $1,120,000 in 1932.

Agricultural lands, with the exception of those in the Alberta Railway and Irrigation block, have been written down in value by $1 an acre.

During the past year the Canadian Pacific sold 96,412 acres of timber lands in British Columbia. This is equal to about 150 square miles.

Income from royalty rights on Alberta coal lands owned by the company totalled $22,192 in 1932. These rights are carried on the books at $1.

Royalty income from natural gas rights on Alberta lands of the Canadian Pacific totalled $1,014 in 1932. These rights are valued on the company's books at $1.

Royalty income from petroleum rights on Canadian Pacific's Alberta lands totalled $11,922 in 1932. These rights are valued on the company's books at $1.

Lumber mills owned by the Canadian Pacific have a book value of $221,796 according to the supplementary schedules.

Beauharnois Meeting to be Held May 4

From Our Own Correspondent

MONTREAL.—Notice that the annual general meeting of Beauharnois Power Corp. will be held on May 4 has been sent to shareholders together with copies of the scheme of reorganization known as the "Montreal Power plan."

On May 3 bondholders will meet to consider the plan of reorganization of Beauharnois Power Corp. and its subsidiary Beauharnois Light, Heat, and Power Co. This scheme, submitted by the bondholders committee, has been approved by the directorate of both the holding and the operating company.

A special general meeting will follow the annual meeting on May 4 to consider and, if advisable, sanction a bylaw which would change the present share capital to 762,000 shares of no par common.

McLean for C.N. Chairman; V.I. Smart as One Trustee

Such is Ottawa's Latest Line-up For Trustee Board to Administer National Railways

From Our Own Correspondent

OTTAWA. — With the field of selection rapidly narrowing, as the government carefully weighs the qualifications of each candidate, it is now apparent that two men are in a favorable position for appointment to the trustee board of the National Railways.

They are: Stanley McLean, of Toronto, president of Canada Packers, Ltd., who is now considered the likeliest man for the chairmanship, and V. I. Smart, deputy minister of railways and canals, who is believed certain of one of the other two trustee-ships.

And yet, at the very moment that the personnel of the board is becoming reasonably sure, rumors are afoot at Ottawa to the effect that the legislation may not come into effect for some months, if ever. These rumors coincide with a drive, originating among eastern members of parliament and motivated by reasons as yet obscure, to have the legislation amended so it will not come into force until proclaimed. If such an amendment can be made, the next step would be to persuade the government to delay the proclamation indefinitely.

Smart is Dark Horse

Of the two men here mentioned, Stanley McLean has been in the running from the outset. Mr. Smart has not, hitherto, been mentioned. Both are fairly well known, the former being an outstanding business man of Toronto and the latter a prominent railroader for a number of years.

The suggestion of Mr. McLean as the chairman of the National Railways trustee board may come as a surprise to many. He is not an expert transportation executive, has had little experience in railway matters. But, on the other hand, railway experience is not considered of vital importance by the government, so far as this post is concerned. In fact, from the outset, the government has been on the lookout for a financial rather than a transportation man. Under the new set-up for the National, the actual railway management will come under S. J. Hungerford. He will be the operating chief in the future as in the past. In the view of the government, the trustee board will be concerned primarily with the financial affairs of the system. It will function, according to Mr. Bennett, not unlike a receivership. For this reason, the government from the beginning has had in mind choosing a sound financier as the chairman. Mr. McLean, it is believed, is precisely the kind of executive that Premier R. B. Bennett has been searching for. He may not get the position. The final selection by a government turns on many factors and, frequently, qualifications are not the decisive ones.

Is Deputy Minister

Mr. Smart has been a railway man with many years experience in all sections of Canada. Prior to coming to Ottawa he was one of the senior traffic officials of the Canadian National in western Canada with headquarters at Winnipeg. He was selected for the position of deputy minister because of his knowledge of the National system and railway business generally. The actual selection was made by R. A. C. Henry, who succeeded the late Graham Bell as deputy minister. When Mr. Henry's interest in Beauharnois became of paramount importance to him, he resigned and nominated Mr. Smart as his successor. Hon. T. A. Crerar, then minister of railways, accepted the nomination and the appointment went through.

In recent years, the deputy minister of railways has been, in reality, the government's direct representative on the National directorate. Like Graham Bell and Mr. Henry, the present deputy has exercised a powerful influence on the National policy in the past three years. And this influence has been felt more in the field of finance than of operation.

End Railway Department

With the National railways turned over to the trustee board, the need of a railway department at Ottawa practically disappears. Certainly nothing will be left to warrant the maintenance of the present staff, nothing which could interest Mr. Smart. For the reason that he is highly regarded by the present government, was appointed by the Liberals, is familiar with the underlying policy of the Bennett administration with respect to railways—his appointment as a trustee is taken for granted. Furthermore, as he hailed from Winnipeg he would be regarded as the west's representative on the board.

SOUTHERN CANADA EXPECTS ACTIVITY

New Branch Plants May Follow When Conditions More Stable

From Our Own Correspondent

MONTREAL.—Prevailing economic conditions have deterred foreign manufacturers from assuming new obligations in the way of erecting branch factories in Canada, according to a statement made in a letter sent by the management to shareholders of Southern Canada Power Co. It is encouraging to report, the letter states, that many prospects are watching the situation and an improvement in general conditions should be followed by renewed activity.

As regards industrial conditions in the Southern Canada territory, the letter to the shareholders has the following to say:

At St. Hyacinthe, the E. T. Corset Company has made arrangements with the Charis Corp. of Allentown, Pa., for the manufacture of product hitherto confined to residents of the United States.

At Granby, the newly formed department of the Stedfast Rubber Co., is particularly active. Finished goods such as crib sheets, hospital sheeting and miscellaneous items are being manufactured. The Esmond Mills, manufacturers of blankets and similar materials have begun manufacturing a high quality cloth to be used in the making of bath robes. Crib blankets of superior grade are also being manufactured.

Canadian Celanese Active

At Drummondville, industrial conditions are satisfactory and although a few manufacturers have slightly curtailed the number of working hours, others are operating to full capacity, notably Canadian Celanese which is particularly active.

At Richmond, La Diva Shoe Co. continues to report steady production.

In common with other merchants, our merchandising activities have suffered a severe contraction in spite of values being offered which are outstanding. However, we feel confident that when a normal purchasing power returns to our communities, our sales will return also because the appliances we have for sale are essential to the comfort and economy of home life today.

During the month of February a large electric boiler installed at the Dominion Silk Dyeing & Finishing Co. has been connected to our system. This boiler has a capacity of from 12,000 to 15,000 electric h.p. and is situated in the company's plant at Drummondville. It will absorb a considerable part of the surplus power available from time to time during period of high water in the St. Francis river.

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CANADA NORTHERN SETS NEW RECORDS

Production and Earnings Establish All-time High Level

From Our Own Correspondent

MONTREAL.—Two all-time records were established for Canada Northern Power Corp. during the twelve months ended February 28, 1933, when gross earnings in December exceeded the $300,000 mark by $2,298, which was again increased in January to $306,688. Similarly the company's kilowatt hour output in January reached a figure of 39,196,190 as compared with the previous record month of 38,864,500 kw.h.

In a circular letter accompanying the current dividend cheques, B. Harrison, vice-president and general manager, had the following to say, in part, on activities in the territory served by the company:

Continued progress is being made in each of the gold producing districts served by your company, resulting in an increase in Canada's gold production, a fact you will probably have noted from records in the daily press.

The established mines are maintaining their output, while several of the mines in the newer areas are meeting with gratifying results.

Increase Power Load

In the Matachewan district, at the Ashley Mine, operated by Mining Corporation of Canada, excellent results are being achieved, and their power load is steadily increasing.

During January an addition to the mill at Granada Gold Mines in Rouyn township was placed in operation, thereby increasing their power load.

On February 15 a contract for the supply of power was entered into with Beattie Gold Mines, Limited, whose property is in Duparquet township in Quebec. The building of a transmission line to provide service is now well under way, and it is expected that this property will be connected with our system around the beginning of May with an initial load of approximately 1,500 h.p.

In the Porcupine Camp, Hayden Gold Mines, Limited have completed an addition to their mill, while at the McIntyre Mine work has been commenced on the sinking of their new underground shaft from the 3,750 foot level.

Dominion of Canada
Guaranteed 5% Bonds

Due February 1st, 1954. These Bonds, issued by the C.N.R., are unconditionally guaranteed as to both principal and interest by the Dominion of Canada. Denominations: $500 and $1,000. Considering the present trend of interest rates toward lower levels these Bonds, providing highest security with substantial interest returns, are attractive.

Price: 101.50 and interest, yielding 4.88%

Mail orders receive prompt attention.

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Jamaica Service Profit Higher in February

From Our Own Correspondent

MONTREAL.—A slight reduction in February gross earnings of Jamaica Public Service was offset by lower operating expenses and net earnings for the month were $29,826 an increase of $594 over the figure reported in February, 1932. Interest and amortization required $9,293 and surplus at $20,533 was higher by $628 over the same month last year.

For the 12 months ended February 28 last a decrease of $29,420 in gross earnings was met by a cut of $26,762 in expenses leaving net operating revenue at $324,608 a decline of $2,658 from the corresponding period of the previous year. After all charges, including dividends, surplus was reduced by $31,610 to $196,302.

Hydro-Electric Power Commission
of Ontario

Home Owners must make application for survey of premises to secure Free Electric Flat Rate Water Heaters

IN ORDER to secure early installation of free electric flat rate water heaters it is necessary for house-owners, landlords and tenants to send in their application now, by means of the coupon shown below. The method is simple and direct. Simply write your name and address in the space provided, and mail it to your own local Hydro or apply at your local Hydro offices or municipality and a preliminary survey will be made of your home to determine conditions of wiring, the existing system of hot water heating and your hot water requirements. From that the type and capacity of the flat rate water heater is decided and, also, whether a "Booster" heater is required in addition. Then installation proceeds.

This absence of elaborate detail and unnecessary red tape in applying for free installation of water heaters is one of three direct advantages conferred on the people of Ontario by the Ontario Hydro Free Installation Plan. The other advantages are:

1. The installation of flat rate electric water heaters will be absolutely free of cost to the house-owner, landlord, or tenant. Cost of heater element, tank insulation, thermostat and necessary wiring will be borne by the Commission. All the consumer will do is to pay a new low rate for the service he receives.

2. In any home where the new low flat rate electric water heater is installed a higher standard of comfort, convenience and economy will immediately be created. The fact that electric water heating is the best and most economical means known; that the new equipment will be trouble-free, automatic in action and requiring no attention from the householder, and that Ontario power rates are among the lowest in the world, indicates how much this free heater plan means to the citizens of Ontario.

If you desire any additional information on any point, your local Hydro officials or municipality will gladly furnish it.

HON. J. R. COOKE, M.L.A., Chairman.
C. ALFRED MAGUIRE, Commissioner.
RT. HON. ARTHUR MEIGHEN, P.C., K.C., Commissioner
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News of Investment Markets

JAMAICA PUBLIC SERVICE EARNED COMMON DIVIDEND

Balance Sheet Featured by Liquidation of Notes Payable

From Our Own Correspondent

MONTREAL.—Earnings of Jamaica Public Service in 1932 were slightly lower than those of the previous year, net showing a decline of $11,000 at $325,668. After charges, including dividends on subsidiaries' preference shares, profits were equal to $1.50 a share on the common stock compared with $1.81 a share in 1931. Dividends totalling $1 a share were maintained.

Examination of income shows light and power revenue practically unchanged; revenue from the ice department at a new high mark and earnings of the transportation division at a new low level. Revenue of the latter department was $100,000 below the figure recorded in 1929. Features of the balance sheet are improved working capital and liquidation of notes payable which totalled $165,467 at the end of 1931.

Profit and Loss Figures

Following is a comparison of profit and loss for the past two years:

	1932 $	1931 $
Earnings:		
Light and power	485,818	486,234
Transportation	266,274	309,800
Ice dept.	32,686	27,914
Non-operating	6,143	5,640
Gross earnings	790,916	829,597
Less: Exp. and taxes	465,248	493,324
Net earnings	325,668	336,273
Add: Other inc.	......	3,911
Less: Int. and am.	111,738	112,846
Retirement res.	90,000	90,000
Net profit	123,930	137,338
Less: Preference divds.	38,500	38,500
Preference "B"	17,600	17,500
Capital	45,000	45,000
Surplus for year	22,930	36,338
Add: Prev. surplus	*156,586	*146,805
Balance forward	179,516	183,143

*Adjusted.

Working Capital Position

	1932 $	1931 $
Current assets	341,327	513,351
Current libs.	44,458	252,795
Working capital	296,869	260,556

Surplus Resources Utilized

Balance sheet shows cash down $173,000 at $100,236 and accounts receivable of $125,788 and materials and supplies of $115,302 practically unchanged. Reduction in cash is largely due to liquidation of $165,467 of notes payable outstanding at the end of the previous year. This loan represented the balance of £50,000 borrowed in Jamaica, which funds were converted into American dollars, just prior to Great Britain's departure from the gold standard. Other assets include re-acquired securities totalling $30,000, an increase of $15,000, while plant and property are valued at $3,948,754 an increase of $64,000.

In liabilities, accounts payable are down $13,000 at $21,613 and a new item, customers' deposits, is shown at $20,320. Retirement reserve has been *increased by* $81,000 to $394,795, operating reserve is slightly lower at $31,885.

Capital stock of the operating subsidiary is unchanged and funded debt still totals $2,000,000. Figures are converted at the rate of $4.86 2/3 to the £.

New Contract Signed

In his remarks to shareholders Russell D. Bell, president of the company, stated that a new 8 year contract had been signed with the Corporation of Kingston and St. Andrew. In referring to the past year's operations he said in part:

"Gross earnings decreased $38,681, or 4.1 per cent, while net earnings after taxes decreased only $10,605, or 3.1 per cent. The decline in earnings was principally due to loss of tramway and bus revenue, reflecting depressed conditions and the unsatisfactory state of affairs resulting from increased bus competition. Electric department revenue, constituting 61 per cent of total gross earnings, was practically equal to last year, satisfactory development taking place although growth was somewhat retarded by economic conditions. Sales of current showed an increase in kilowatt-hours and in net revenue, the result of a continued gain in the use of electricity for lighting and power purposes.

"Residential revenue increased 6.5 per cent compared with a 19.5 per cent increase in energy consumed. Greater use of electrical appliances and more customers on the Home Service schedule, with consequent lower average rate for increased consumption, was responsible for this trend.

Moirs Capital Is Now Changed New Directors

Reorganization of Moirs Ltd. was approved by shareholders at a special general meeting held April 18 in Halifax. Bondholders agreed on February 28 to the plan which was designed to relieve the company of certain fixed charges. Interest was not paid on the 6½ per cent first mortgage bonds when due on January 1 last.

At the recent meeting arrangements were made to convert 9,750 unissued common shares into 6 per cent cumulative preferred stock which will be given to bondholders in return for reduction of the principal amount of bonds outstanding by 50 per cent and cancellation of bond interest due up to January 1, 1935. The preferred stock to be issued amounts to 65 per cent of the value of bonds now outstanding. Preferred shareholders will have sole voting power until July 1, 1935, or thereafter as long as any bond interest remains unpaid. No dividends will be paid on the common shares until at least $500,000 par value of preferred stock has been redeemed.

The new directorate of the company included Frank L. Lewis, Truro, N.S.; J. C. Mackeen, W. B. Proctor, C. J. Burchell, K.C., Halifax, N.S., and David E. North, Hantsport, N.S. O. E. Smith, president of the company, has resigned owing to ill health.

WHITTALL CAN EARNINGS DOWN, CASH IS HIGHER

Writes Off Substantial Losses Incurred by Subsidiary Companies

Earnings of Whitall Can Co. are reported at $191,204 in the year ended February 28, 1933, as compared with $330,795 in the previous year. After provision for depreciation earnings amounted to $6.26 per share on the 19,000 shares of preferred stock outstanding; $11.92 was earned per share in the previous year. New business secured during the year is stated to compensate to a considerable extent for falling off in the demand for cans from the food canning industry.

The deficit of Associated Quality Canners Ltd. is reported at $577,945 for the past fiscal year and the proportion of this loss absorbed by Whittall Can Co. is $389.200. Quebec Canners Corp., in which an interest was held, was placed in liquidation during the year and the whole investment of $76,678 has been written off.

INCOME AND SURPLUS ACCOUNT
Year Ending:

	Feb. 28 1933 $	Feb. 28 1932 $
Net earn.	191,204	330,795
Less: Depr. res.	72,158	71,662
Inc. tax res.	......	32,712
Net profit	119,046	226,421
Less appropriations:		
Pref. divds.	......	61,750
Assoc. Qual. Can. invest. w/d	......	60,488
Surp. for year	119,046	104,183
Add: Prev. surp.	548,868	444,685
Excess prov. for inc. tax	27,664	......
Less: w/o invest. Que. Canners	76,678	......
Prop. of deficit of subsid.*	389,200	......
Bal. car. for	229,700	548,868

* Applicable to company's share holding in Associated Quality Canners.

Working capital has been substantially improved. Bank loans of $265,000 shown last year have been paid off and accounts payable are down to $34,661 from $155,596. Cash is up to $147,045 from $936 while inventories are down to $183,083 from $450,212 and accounts receivable are down to $85,537 from $131,530.

Working Capital
As at Feb. 28

	1933 $	1932 $
Current assets	457,650	621,078
Current liabilities	44,661	469,484
Working capital	412,989	151,594
Ratio	10.24—1	1.32—1

Fixed assets are carried at $1,061,188 after depreciation and investments in and advances to Associated Quality Canners are carried at $1,237,996. Reserve for interest on advances to and securities of affiliated companies is shown at $54,739. There remain outstanding $1,900,000 of preferred stock and 130,000 shares of no par value common.

ROBT. MITCHELL HAS SHARP LOSS ON OPERATIONS

No Provision Made for Depreciation in Past Year

From Our Own Correspondent

MONTREAL. — Operations of Robert Mitchell Co., bronze and iron manufacturer, resulted in a loss of $250,765 in 1932 compared with a profit of $130,981 in the previous year. No provision was made for depreciation and after deduction of $45,334 for inventory losses and special charges, net loss for the year before income tax was $296,099. This compared with a net loss of $9,275, after dividends of $1 a share in 1931.

Earned surplus has been reduced to $40,188 and total surplus at profit and loss stands at $318,940 compared with $628,426 at the end of the previous year. Working capital is sharply lower with bank loans making their first appearance since 1929.

Income Account Figures

Following is a comparison of profit and loss accounts for the past two years:

	1932 $	1931 $
Net earnings	*250,765	130,981
Less: Invent. loss	45,334	......
Depreciation	......	70,256
Net profit	*269,099	60,725
Less: Dividends	......	70,000
Surplus for year	*296,099	*9,275
Add prev. surplus:		
Capital	288,097	325,317
Earned	§338,999	359,537
Less: Inc. tax prior yr.	†2,712	†9,934
Loss on assets sold	‡8,626	‡24,443
Investment w/o	‡719	‡12,776
Balance forward	318,940	628,426

*Deficit. §Adjusted.
†Deducted from earned surplus.
‡Deducted from capital surplus.

Working Capital Position

	1932 $	1931 $
Current assets	662,422	841,731
Current liabs.	265,863	109,512
Working capital	396,559	732,219

Cash Sharply Lower

Decline in working capital is accounted for by a drop in cash and receivables and the appearance of bank loans of $155,000 in current liabilities. Cash is down $69,000 at $61,519 and accounts receivable are lower by $117,000 at $134,992. Inventories are higher by $6,000 at $455,932 and fixed assets less depreciation are higher by $35,000 at $1,621,449.

In liabilities bank loans, previously mentioned, make their first appearance since 1929. Payables are up $11,000 at $89,263 and accrued liabilities are higher by $8,000 at $21,599. Capital surplus is down $10,000 at $278,752 and earned surplus has been reduced by $300,000 to $40,187.

Canada Steamships Starts Freight Service

From Our Own Correspondent

MONTREAL.—Watering of the Lachine Canala has opened the season of navigation between Montreal and the Great Lakes and Canada Steamship Lines inaugurates the current year's freight service on April 21. Sailings from Montreal to various ports in Ontario commence on that date, while trips to the Head of the Lakes will start one day later.

Service down the St. Lawrence started on April 18 and sailings to Quebec began on April 20. Passenger schedules do not come into effect until the middle of May or early in June.

Canada Steamships at the end of 1932 owned 85 freight and 18 passenger ships. Total deficit after all charges last year was $2,186,226 and deficit in surplus account was $2,783,493.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Can. West. Nat. Gas	5%	1936	June 15	105
French Nat. Mail S. S.	†6%	1952	May 1	...
Wabasso Cot.	*6%	1947	June 1	105

*$10,000 for sinking fund purposes.
†Called in part.

Bond Tenders

Roman Catholic Board of School Commissioners of Quebec—$500,000, 4½ or 5 per cent 30-year serial debentures. A. C. Taschereau, sec.-treas.

School Municipality of Lac des Iles, County Labelle, Que.—$5,500, 6 per cent bonds dated April 1, 1933, redeemable serially from April 1, 1933. Emile Bisaillon, sec.-treas.

May 1, 10 a.m., Township of Springer — $15,000, 7 per cent serial debentures, dated Apr. 1, fully approved by the Ontario Municipal Board. H. W. Sylvestre, township clerk, Sturgeon Falls. (See announcement on page 12).

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1932 $	Net Income 1931 $	Common earnings 1932 $	Common earnings 1931 $	Curr. divid. $	Balance car. fwd. 1932 $	Balance car. fwd. 1931 $	Mkt.	Mkt. times earn.	Yield %
Que. Tele. & Power	Dec. 31	32	8,238	...	0.22	...	54,873	57,251	...	...	...
Stop & Shop	Feb. 25, '33	†2,322	......	...	...	...	23,972	......	...	...	...
Pelissiers	Jan. 31, '33	*20,988	*996	...	...	...	†4,376	16,612	.20	...	...
Aluminium	Dec. 31	*1,221,781	*972,932	...	...	...	†107,714	1,110,027	...	...	...
Hydro Elec. Securities	Dec. 31	973,429	2,968,465	...	1.33	...	1,764,059	1,486,417	6	...	...
Inter. Paper & Power	Dec. 31	*8,757,728	618,239	...	...	...	3,204,158	11,961,887	...	...	...
Enamel & Heat. Products	Dec. 31	*64,829	56,429	...	...	...	†162,253	†98,834	.50	...	...
St. Lawrence Paper	Dec. 31	*448,008	33,902	...	...	...	†1,482,833	101,543	...	...	...
Brompton Pulp & Paper	Dec. 31	*780,691	*20,244	...	...	...	†459,775	1,328,900	...	...	...
Lake St. John Power	Dec. 31	*489,143	*196,884	...	...	...	†404,787	†51,987	...	...	...
Ford Motor	Dec. 31	*5,206,786	*1,384,257	...	...	...	18,867,526	24,764,262	...	...	...
Can. Westinghouse	Dec. 31	706,330	1,842,740	1.50	3.41	2	7,554,623	7,953,437	...	...	...
Brewers & Distillers	Dec. 31	86,853	*69,059	...	...	...	2,483,108	2,493,006	...	...	...
Prairie Cities Oil	Dec. 31	*155,832	*71,713	...	...	...	†404,611	†248,779	...	...	...
Hudson Bay Mining	Dec. 31	*298,855	*201,947	...	...	...	†597,986	†299,134	...	...	...
Can. Dredge & Dock	Jan. 31, '33	333,007	163,683	3.54	1.60	1	781,233	546,562	12½	...	...
Royalite Oil	Dec. 31	257,317	257,564	0.57	0.72	...	3,074,059	3,021,218	...	...	...
Dalhousie Oil	Dec. 31	3,026	26,640	...	0.02	...	31,483	[illegible]	14	...	...
San Antonio Mines	Dec. 31	69,733	...	0.03	...	...	...	...	1.04	...	...

*Loss. †Deficit.

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Syndicate Underwriting Participations of Canadian Banks in Corporation Bond Issues, 1927 to 1932 Inclusive

	Company:	—Offering Syndicate—	Amount	Rate	Date	Offering Price	Current Price
1927 May	Bell Telephone Co.	Bank of Montreal, Lee Higginson & Co., Royal Bank, Harris, Forbes & Co., Wood, Gundy & Co., Royal Securities Corp., A. E. Ames & Co., Greenshields & Co., Dominion Securities Corp., Drury & Co., Kerr, Fleming & Co., National City Co., Hanson Bros., Nesbitt, Thomson & Co.	10,000,000	5%	1957	102½	107
Sept.	Massey-Harris Co.	Wood, Gundy & Co., Dominion Securities Corp., A. E. Ames & Co., Royal Bank of Canada, Canadian Bank of Commerce, McDougall & Cowans, Greenshields & Co., Royal Securities Corp.	12,000,000	5	1947	93¾	49
Oct.	Canada Cement Co.	Wood, Gundy & Co., Royal Bank	20,000,000	5½	1947	99	55
1928 Apr.	Shawinigan Water & Pwr. Co.	Aldred & Co., Wood, Gundy & Co., Royal Bank, Bank of Montreal	10,000,000	4½	1968	98½	62
1929 Mar.	Bell Telephone Co. of Canada	Bank of Montreal, Lee Higginson & Co., Harris, Forbes & Co., Royal Securities Corp., Wood, Gundy & Co., Royal Bank, A. E. Ames & Co.	15,000,000	5	1957	100	107
Mar.	Shawinigan Water & Pwr.	Aldred & Co., Wood, Gundy & Co., Royal Bank, Bank of Montreal	6,000,000	4½	1968	93	62
Sept.	Sisters of Charity of Providence	Banque Canadienne Nationale, L. G. Beaubien & Co., Municipal Debenture Corp.	1,750,000	5½	1931-54	100	97
Sept.	Order of the Holy Name of Jesus & Mary	Banque Canadienne Nationale	800,000	5½	Serial	100	95
Dec.	Canadian Pacific Railway	Bank of Montreal, Royal Bank, Can. Bank of Commerce, National City Co., Wood, Gundy & Co., Dominion Securities Corp., A. E. Ames & Co., and U. S. syndicate	30,000,000	5	1954	100	75
Dec.	Canadian Pacific Railway	National City Co., Guarantee Co. of N. Y., Bank of Montreal, Royal Bank, Wood, Gundy & Co., Dominion Securities Corp.	30,000,000	5	1944	99½	100
1930 Feb.	Shawinigan Water & Pwr.	Aldred & Co., Wood, Gundy & Co., Royal Bank, Bank of Montreal	15,000,000	5	1970	98½	74
Mar.	Montreal L., H. & P. Cons.	Wood, Gundy & Co., Aldred & Co., Royal Bank, Société Placements du Canada	5,000,000	5	1970	99½	101
Feb.	Bell Telephone Co. of Can.	Bank of Montreal, Lee Higginson & Co., Harris, Forbes & Co., Royal Securities Corp., Royal Bank, Wood, Gundy & Co., A. E. Ames & Co.	7,500,000	5	1960	101½	107
Oct.	Shawinigan Water & Pwr. Co.	Aldred & Co., Wood, Gundy & Co., Royal Bank, Bank of Montreal	20,000,000	4½	1970	97½	65
Aug.	Ontario Power Service Corp.	Wood, Gundy & Co., Guaranty Co. of N. Y., Royal Bank, Canadian Bank of Commerce, Bank of Nova Scotia, Imperial Bank, Banque Canadienne Nationale, etc.	20,000,000	5½	1950	94.22	83
July	Canadian Pacific Railway	National City Co., Guaranty Co. of N. Y., Bank of Montreal, Lee Higginson & Co., Union Trust Co., Pittsburgh, Royal Bank, Wood, Gundy & Co.	25,000,000	4½	1960	98	66
Dec.	B. C. Telephone Co.	W. C. Pitfield & Co., Canadian Bank of Commerce, Royal Bank, Nesbitt, Thomson & Co., Wood, Gundy & Co.	7,500,000	5	1960	95½	85
Nov.	Corporation of Cooke Hospital, Three Rivers	Banque Canadienne Nationale, Lajoie, Robitaille & Co.	150,000	5½	1950	100	97½
1931 Mar.	Notre Dame Hospital, Montreal	Provincial Bank and syndicate	1,250,000	5½	20-year Serial	100	85
1932 Feb.	Shawinigan Water & Pwr. Co.	Aldred & Co., Wood, Gundy & Co., Royal Bank, Banque Canadienne Nationale, Harris, Forbes & Co.	6,000,000	6	1937	97¾	85
Mar.	Canadian Pacific Railway	Bank of Montreal, Royal Bank, Canadian Bank of Commerce, Bank of Nova Scotia, Dominion Bank, Banque Canadienne Nationale, Bank of Toronto, and 28 bond houses	12,500,000	6	1942	100	87

NOTE: List does not include government or municipal, direct or guaranteed obligations, underwritten by banks.

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QUEBEC 'PHONE COVERS INTEREST CHARGES IN 1932

Drop in Toll Traffic and Fewer Stations Affect Earnings

From Our Own Correspondent

MONTREAL—Quebec Telephone and Power Corp. earnings for 1932 showed a decline as compared with the preceding year, reflecting the fact that gross revenues from toll traffic declined 18.6 per cent, while the number of telephones connected to the line registered a decrease of 14.6 per cent.

Reductions made in operating costs were not sufficient to offset the drop in gross revenues as the following comparison reveals. In respect to the depreciation charge, the auditors say "the charge for depreciation at a lower rate than for the previous period may be justified, but we find reason to mention it."

	1932 $	1931 $
Oper. revenue	147,262	174,664
Other revenue	1,800	4,428
Total revenue	149,062	179,092
Oper. expenses	88,756	98,804
Net revenue	60,306	80,288
Less: Deprec.	33,275	42,277
Other interest	10,065	11,489
Bond interest	14,030	14,033
Balance	2,936	12,489
Less: Bond disc.	2,904	4,252
Surplus	32	8,237
Brought forward	57,251	54,391
Less adjustments	2,410	5,377
Carried forward	54,873	57,251

Working Capital Position

	1932 $	1931 $
Current assets	56,508	58,946
Current liabs.	163,047	195,852
Excess of current liabs.	106,539	136,906

Reduce Bank Loan

Changes in the balance sheet are of minor character with the exception of current accounts and a new reserve of $50,426 under liabilities. The latter is a re-evaluation reserve appearing as a result of capital expenditures made in former years by subsidiaries out of income account.

The principal change in current accounts is a reduction in bills payable from $180,599 to $105,140. Of the latter figures $104,200 represents bank advances. It had been proposed by the corporation to sell $300,000 of collateral trust bonds to shareholders, but as the majority of shareholders did not subscribe for the bonds pro rata with their holdings of stock, no subscriptions were accepted. Instead the $300,000 bond issue was deposited as security for bank advances.

Miscellaneous accounts payable show a marked increase, rising from $6,004 to $47,797. The small decline in current assets is due to an increase in materials and supplies on hand.

Can. Investment Fund Declares First Dividend

From Our Own Correspondent

MONTREAL.—Directors of Canadian Investment Fund have declared an initial quarterly dividend of five cents a share payable May 1 to shareholders of record April 15, 1933. The company was formed in December, 1932, as an investment trust sponsored by Calvin Bullock; shares were offered in the neighborhood of $3.

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NO AGREEMENT BANKS' STATUS ON SECURITIES

(Continued from page 1)

chases of block in underwritings as investment dealers; third, retail sale of securities to customers of the banks.

In syndicate underwriting, the banks usually lend the syndicate the full price paid for the securities, it is understood. There is no margin, and the banks get their profit by sharing in the rewards of the syndicate and by making the loan. Bankers say they have always had ample protection, and have only lent in this way on securities suitable for their own portfolios. Others claim that there is a danger making loans for such deals which they might not make, if they were purely disinterested lenders, and not partners in the underwriting. It is understood that banks have not been "stuck" with syndicate bonds in Canada.

Syndicate Abuse in U. S.

One of the chief abuses of syndicate participations in the United States was that a bank's security affiliate might underwrite an issue of securities in a corporation to lift a frozen bank loan. This is probably not possible in Canada as the securities department here are part of the bank.

Purchases of blocks of securities by banks, acting as dealers, allows banks to get into the business of selling industrial and public utility securities without appearing in the prospectus as syndicate members. Retailing of such securities to customers brings definite objection from investment dealers. They object to this as unfair competition, and claim that it is not good policy for the bank, for much the same reasons as those given by the banker mentioned above.

The Bank Act allows banks to lend on securities as collateral. It also says that banks may "engage in and carry on such business generally as appertains to the business of banking." But it forbids "buying or selling goods, wares or merchandise," or being engaged "in any trade or business whatsoever." It is between the "business of banking" and "any trade or business" that the line on certain securities dealings must be drawn. Security dealers believe that retail selling of securities should be classed as a "trade or business." So do a few bankers. Other bankers feel that their sales of securities "appertain to the business of banking."

Banks as Agents

It has been the age-old practice of banks to obtain securities for clients upon request, and to obtain a dealer's commission for doing so. In such case they are legitimately acting as agents for the customer. But if the bank has a share in an underwriting or a block of bonds, say, purchased from a syndicate, then it is acting as a principal in selling such securities to customers. There is considerable opinion in favor of confining banks to only government and municipal securities in selling their own holdings to clients. If a client asks a bank to purchase an industrial bond for him, there appears no legitimate reason for denying a bank the right to do so and to gain an agent's commission for handling the transaction.

Record of Banks

Canadian banks have participated in syndicate underwritings of at least 21 industrial and utility bond issues in the six years from 1927 to 1932.

Massey-Harris first mortgage bonds, which were offered in 1927, have fallen to about 49 from the issue price of 94¾. This is one of the syndicate offerings in which banks participated which has not turned out well. Difficulties of the agricultural community, the company's sales field, have made collections and sales unfavorable. The Canadian Bank of Commerce and the Royal Bank of Canada participated in this underwriting.

Three issues of Bell Telephone bonds, in which banks have participated in the underwriting syndicates, have turned out well for the investor. They are now selling for as much as seven per cent premium over the issue price. The Royal Bank of Canada and the Bank of Montreal were the participating banks.

Canada Cement first mortgage bonds, for which the Royal Bank of Canada was a syndicate member, have dropped from the issue price of 99 to about 55. Heavy declines in new construction have provided difficulties for the company.

Ontario Power Service Corp. 5½ per cent, first mortgage bonds were issued in 1930 by a syndicate including the Royal Bank of Canada, the Canadian Bank of Commerce, the Bank of Nova Scotia, Imperial Bank of Canada, and Banque Canadienne Nationale. Due to purchase of the uncompleted project by the Ontario Hydro, investors have done fairly well in this issue. Before this purchase was made, the bonds dropped from the issue price of 94.22 to as low as 21, although few bonds sold at the latter figure. Most of the sales occurred between 40 and 50 at the time when it was feared that the project might be a failure. The present price is about 83.

C. P. R.'s and Shawinigan's

Several C. P. R. and Shawinigan bond issues, which were offered in 1928, 1929 and 1930 are now selling at a considerable discount. The Bank of Montreal and the Royal Bank of Canada participated in the syndicate. The reason for the discounts in the case of C. P. R. is the sharp decline in railway traffic and earnings in Canada. Shawinigan has also suffered reduced earnings due to lessened demand for power

The Shawinigan Water and Power Co. issue of six per cent bonds offered last year at 97¾ is now quoted at about 85. Banque Canadienne Nationale and the Royal Bank of Canada were the banks in the syndicate.

A drop from the issue price of 100 to 87 is now recorded by the issue of C. P. R. convertible bonds issued last year, for which seven banks were included in the syndicate. B. C. Telephone bonds offered at 95½ in 1930, by a syndicate including the Royal Bank of Canada and the Canadian Bank of Commerce, are now selling at 85.

In addition to these issues, the French banks have offered several bond issues for religious and charitable organizations in Quebec. These show price recessions.

The list of banks' syndicate participations does not include issues of which banks may have handled blocks of bonds as dealers. Such dealer transactions cannot be determined accurately, but would probably include such issues as the ill-fated Beauharnois 6's, due in 1959.

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TORONTO, APRIL 22, 1933

ONE DAY IN THREE

IN 1932, the total expenditures of the Dominion, Provincial and Municipal Governments in Canada were just over $1,000,000,000. The figures include all current expenditures, including deficits on trading operations and expenditures on account of relief, and make no allowance for capital expenditures which were presumably invested in revenue producing works.

In 1932, according to the figures of The Financial Post Year Book of Business the national income was just over $3,000,000,000.

In other words, governments in Canada in 1932 spent one-third of the national income and the average person worked one day in three to pay his taxes to the Government.

For 1933, there has been a slight reduction in the projected expenditures of governments but there is likely to be some reduction in the national income. It is unlikely that there will be any important change in the proportion of national income spent by governmental bodies.

There may be those who consider this development a great advance in the step of their ideal objective of socialism. They would be satisfied with a condition under which public bodies took the whole national income to be spent for the benefit of the people as a whole with private citizens handling no monetary tokens at all. But even in these days when planned economy, controlled production, managed currencies and state responsibility for social wrongs are dominant notes there are many sincere citizens who will wonder if even the situation is thoroughly sound.

For in the economic civilization of today, which may or may not be the economic civilization of a thousand years from now, excessive taxation of this character is a definite barrier to business recovery and excessive governmental expenditures are a threat to the national credit upon which all public and private credit is based.

Taxes have not come down proportionately to the decrease in incomes of the people. For that matter, they have come down scarcely at all for governmental expenditures in 1932 were within a few million dollars of governmental expenditures in 1931 which was undoubtedly the peak year for all time. Only the most drastic deflation of public spending in Canada can ensure us of any early escape from the crushing burdens of the present crisis.

PLANS, PLANS, PLANS

TODAY we hear a great deal about "planned economy." Before the war we never heard of a national or a world economic plan except perhaps from the street corner Socialists whose plans were purely negative. In those days we pinned our hopes on what the economists called the automatic system of economic adjustment. The theory of it was that production and consumption, wages and prices, debts and values, all adjusted themselves with a nicety and ease of operation that was—at least the economist text books told us —marvellous to consider.

Of course, there never was perfect economic balance. But the system worked so well that only college students were taught to think of it as a system. But today we are all asking what has happened to the system in this postwar world.

Why are there 30,000,000 would-be workers who cannot find jobs when there are in the bowels of the earth untold riches awaiting only the application of human labor to make them available as income wealth?

Why is there hunger and want in many homes?

Why is it that people who would like to buy a new car containing half a ton of steel cannot buy it nor earn the money to buy it when the steel industry, that would like to sell its steel, is running at only ten per cent of capacity?

There are a dozen reasons and a hundred related influences but speaking rather dogmatically the situation is due to the fact that the old system of automatic economic adjustment has been placed under so many different government checks and state or private controls like tariffs, price-fixing agreements, combines and cartels, political ownership and operation of business enterprises, exchange restrictions, etc., that today we have a system that is no system at all. It is half rigid and half elastic. We are trying to travel at high speed half on balloon tires, half on wooden wheels and we either have to crawl along or travel in circles. The half and half system does not work.

There are three ways out not one of which is simply easy to map, not one of which is easy to take.

We could go back to the old system, restore the old doctrines of individual effort and self reliance.

We could, if we wished to pursue the course advocated by the most articulate group of thinkers, go the whole way along the road we have only partially travelled since the war and set up a series of completely communist states, on the line of the Russian state.

Thirdly, there is a rapidly growing group of keen thinkers, of whom Sir Arthur Salter is perhaps the primary representative in the Old Country and Franklin Delano Roosevelt the chief practitioner on this continent, who preach what Roosevelt calls The New Deal. It is a hybrid system embracing the advantages of both of the other extremes — a planned economy in which private enterprise will be given every encouragement that is possible within the boundaries of an intricate and skilful framework of national and international control and planning.

The great drama is being played out in the world today with opposing social and political forces pulling at each other. Eventually one or other of these three alternative economic and social systems will assume or resume a dominant position in a world of comparative equilibrium.

In the meantime it is well to remember that the essential difference between Capitalism and Socialism is not one of moral value but, as Prof. H. A. L. Fisher has demonstrated, one of utility. It is on this ground that Capitalism has won out and will no doubt continue to rule.

SOCIAL RESPONSIBILITY OF INDUSTRY

IN A recent address to the Canadian Club of Toronto, George C. McDonald, leading Montreal accountant and business leader, made the statement that in his opinion governments should stay out of unemployment insurance and other schemes of social insurance but he made the suggestion that while governments should not contribute to the funds of such schemes they should nevertheless see that such plans are provided for.

Provision for employees, in Mr. McDonald's opinion, should be made by industrial corporations and taken out of profit and loss accounts before surplus profits go to the owners.

Mr. McDonald said:

"The function of government should be to see that provision is made for old-age pensions and unemployment insurance by various corporations. It should regulate them but should not itself provide the funds. Rather it should see that those funds are provided by industry and taken out of the profit and loss account before the surplus profits go to the owners.

"At present, some of our large corporations have pension funds, but this is not general. Others have unemployment insurance schemes but these are even rarer than the pension fund schemes. Our banks all have contributory pension fund schemes whereby a certain proportion of each person's salary is set aside and a certain proportion taken out of the profits of the bank. In addition to that, from time to time amounts are donated to the fund by the bank. The effect of setting these funds aside is that when the bank is figuring what it must charge its customers for its services, there is included a charge to provide for the old-age of employees who give a certain number of years service to the institution. That is, when a man joins the bank at age of 20, under this scheme it undertakes to pay him a living wage, or perhaps even better than a living wage for the rest of his life, and that wage is a charge against the earnings of the institution.

"It is my belief that all branches of finance, commerce and industry should be made to provide for their own employees in this way."

What Mr. McDonald urges is simply what business men generally are thinking at the present time. It is exceedingly difficult to determine the exact social responsibility of employing corporations to their workers; it is going to be even more difficult to work out fair and equitable plans that will allow for all possible contingencies. The practical nature of the problems involved bars any successful, universally adaptable, permanent solution at an early date.

But business must face more intimately than it has in the past the problem of its social responsibilities to its workers. With a determination to do so firmly fixed in the minds of industrial leaders the working out of the plans can be taken quietly in hand.

DANGER TO BANK PRESTIGE IN UNDERWRITINGS

WHEN banks enter syndicates for the underwriting of industrial and public utility bonds they leave themselves vulnerable. There is a strong possibility of loss of prestige and customers through such underwritings if they happen to turn out badly.

If a bank's name appears on a prospectus for such securities, it suggests that the bank approves the issues for investment. Banks, like individuals, can make mistakes in judgment. Fortunately they do not do so often in Canada. But they have underwritten some securities which have not turned out exceedingly well for the investor. Massey-Harris, Canada Cement and Ontario Power Service bonds are examples.

In cases of this kind, the fault is not so much to be found with the banks for failing to foresee events which indeed very few people did foresee. The fault was in handling such securities at all. Bankers are shrewd enough to know that good corporation securities are more liable to turn out badly than good government securities. When they underwrite corporation issues, therefore, they are taking a chance on their judgment. It would be simpler to avoid such underwritings altogether.

It is to be hoped that revision of the Bank Act in 1934 will bring with it some restriction of securities underwritings by banks. While good management of Canadian banks has kept them from most of the pitfalls of the securities business, it would be just as well to remove the danger entirely.

A TAX ON CAPITAL

FOREIGN investors in Canadian dividend paying mining stocks feel that the recent budget impost of five per cent on dividends in effect is taxing capital invested in the industry. Under the income tax the government recognizes a portion of mining dividends as a return of capital. In the case of gold mining dividends, a proportion of 50 per cent is considered as interest on the investment and is taxable income. The other 50 per cent is considered as return of capital. In the case of base metal mining investments 33⅓ per cent of the dividends received are considered as return of capital.

But the new tax makes no such allowance. The foreign investor in Canadian gold mining securities therefore is experiencing a tax on his capital through the new impost.

A tax on dividends and bond interest paid to foreign investors is not without precedent and normally might be considered a shrewd method of raising revenues. But in this case the injustice is quite apparent. There can be but one answer,— the driving out of foreign capital for mining. A foreign investor may conceivably tolerate a tax on his income but when it is extended to a tax on the capital he has invested which is being paid back along with interest on his investment he is most likely to take his capital to more sympathetic countries.

It is particularly regrettable that such a near-sighted method of raising revenue should be substituted for a curtailment in government expenditures, as gold mining is one of the brightest spots in Canadian industry at the present time. Efforts are being made to attract foreign capital, particularly United States capital that this thriving industry might be furthered. In the past, United States capital has flowed freely into the industry already impeded through taxation.

FAMOUS EDITOR LACKS ACCURACY

CANADIAN banking is much discussed in the United States at present. The reasons are obvious.

Merle Thorpe, editor of "Nation's Business" of Washington, spoke of our banking system to the executive council of the American Bankers' Association on April 12. From a man so well-informed as Mr. Thorpe is supposed to be, some of the opinions expressed are not strictly accurate. We quote some of them:

> "In Canada we find the Canadian banking system criticized....for not having contributed sufficiently to the development of Canada....
>
> "In Canada, mortgage money is both scarce and high. Any contrast of the industrial and commercial development of Canada, its rate of economic progress, and the well-being of its people, has generally been favorable to the United States."

We have heard Canadian banks criticized on many grounds, but failure to contribute sufficiently to the development of the country is not one of them. Our banks have established branches in tents to serve new mining areas. They rushed into the West in the early years of the present century. They still maintain many uneconomic branches which provide banking services to small communities at a loss to the banks.

Mortgage money is scarce in Canada, not because of the banking system, for our banks do not lend on mortgage, but because of moratorium laws. Ordinarily mortgage rates in Canada compare favorably with those of wealthier countries. Mortgage, trust and insurance companies are big lenders at favorable rates. Great Britain has low mortgage rates with a branch banking system similar to ours.

The relative prosperity of Canada and the United States cannot be fairly compared as even a small indication of the effects of the respective banking systems of the two countries. The reasons for our smaller industrial development are chiefly economic. The banking system is not responsible. Great Britain has had an enormous industrial development with a similar banking system in her smaller cities.

Mr. Thorpe also made the peculiar assertion that the Dominion of Canada only taxes the Canadian banks on their distributed profits. The banks he said, were able to lay up fat in good years to see them over lean years.

Such is not the case. Canadian banks have had to eliminate bonuses to shareholders and reduce dividends and salaries. Responsible bankers are essentially conservative, even in the United States. They don't like change. Perhaps Mr. Thorpe was playing up to this sentiment when he aired these inaccurate views.

Moncton Hawks have won the senior hockey championship of Canada. They would not have even been allowed to compete had the Kentville Advertiser won its way a few years ago and brought about the secession of the Maritime Provinces from Canada. And the notable victory was won without even a deputation to Ottawa.

POST-scripts

WITH a face flushed red and ill-concealed anger in the blue eyes that gleamed behind his glasses, Dr. Hans Luther, the new German Ambassador to the United States, strode brusquely across the parlor of his suite on the Bremen last week and abruptly took from the hands of Dr. Otto Kiep, German Consul-General in New York, a written statement that Dr. Kiep was reading to the assembled journalists.

"I can read my own statements, sir," said the Ambassador.

Dr. Kiep, astonished, looked at the Ambassador and then stepped back while Dr. Luther read the formal statement commenting on his arrival.

The incident took place after Dr. Kiep had made many efforts to prevent the Ambassador from granting the usual interview to the press.

Dr. Luther, former president of the Reichsbank, is not a member of the Nazi party. He received his appointment because of long public service. The incident on the Bremen was generally accepted as an indication of the strenuous efforts by the Hitler Government to control all opinions and limit information concerning its activities.

Dr. Luther is a man of courage and action. He has been replaced at the Reichsbank by Dr. Hjalmar Schacht, whose financial views are more agreeable to Hitler.

Last November Dr. Luther showed his friendly disposition toward the press by receiving a staff representative of The Financial Post at 5.15 one day at his office and chatting with him in a very frank manner about conditions in Germany until a quarter to seven. He was extremely courteous and friendly. He becomes intensely interested with his own arguments as he talks and at times even works himself up into a highly excited condition.

The Post's representative saw Dr. Hans Luther, head of Deutsche Reichsbank, one day at five o'clock and was with him till nearly seven. The Post man apologized to Dr. Luther's secretary for keeping the director at the bank after hours, but the secretary stated that Dr. Luther was frequently there later than that.

Dr. Luther is 53 years of age. He was Finance Minister in 1922 and Chancellor—approximately the equivalent of Prime Minister in Canada—in 1925-6. He is a university graduate and an accomplished linguist. He asked The Post man if they might talk in French, as his French was better than his English. The Post man assured him "your English is much better than my French." In fact, his English proved to be excellent. He is rather thickset, of medium height and talks in rather guttural tone. Forceful, virile, he becomes greatly enthused in developing an argument. He is a hard worker and a man who would drive himself continuously to accomplish what he had in hand.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

CONFERENCE PRELUDE

THE forthcoming conference of statesmen at Washington is likely to have a major bearing on the decisions reached later this year at the world economic conference in London. It will, at least, give some indication of the political barriers which the body economic will try to jump in the recovery steeplechase.

Shoes and ships and sealing wax, and cabbages and kings will comprise the Washington agenda. There is to be no limit to the economic problems to be discussed.

War debts are expected to be subordinated to economic and disarmament problems. European statesmen are said to feel, as a result, that debt accommodation is assured in exchange for trade concessions to the United States.

* * *

STABILIZATION of currencies will be the most important subject on the programme. Gold, silver and symmetalism will be discussed, all aiming at stabilization. The effect of currency fluctuations on tariff agreements can be vital, as we have seen from the Ottawa agreements. Price levels, national and international, will also enter the Washington conversations. Tariffs will be another important topic.

Inevitably, currency stabilization must come first in dealing with international trade problems and with national solvency. Price levels are closely allied to currencies. Tariffs make the problem a triple knot. But no satisfactory tariff or trade arrangements can be made until the currency question is answered.

In line with the experts' recommendations for the world conference, the Washington discussions will consider means of returning to the international use of the gold standard. The gold bullion standard, involving licensing of gold exports to settle international balances of payment only, will be considered. Silver will also come in for extensive examination, with western United States senators trying to get the American administration to favor its alleged advantages.

* * *

GOLD content of the United States and Canadian dollars, as well as sterling, may come into the currency picture at Washington. United States authorities do not see why Roosevelt should favor revaluation of gold. It is pointed out that it would be simpler to reduce the statutory cover, which would give greater elasticity. Proponents of gold revaluation point out that the United States has cleared the way for such action by getting back hundreds of millions of hoarded gold. They also point out that Canada has just enacted a statute authorizing non-redemption of Dominion notes in gold. This, they feel, may indicate that our Government is taking this preliminary step as protection, in case such a policy should be advocated seriously.

Symmetalism, coinage of gold and silver in alloy to be used for national and international payments, is advocated in some political quarters in the United States. Any scheme for adoption of this plan would seem sure of encountering international opposition. There is some support for silver from British industrialists, but little from British economists and bankers.

* * *

PRESIDENT Roosevelt is said to be about to ask for wide powers on debt negotiations. It is expected in Europe that he will regulate June 15 war debt payments so as to allow free economic collaboration of the nations involved. British payments on the debt due this year amount to £38 millions. Exchange at present rates would bring this to about £55 millions of which half is due June 15.

Great Britain is said to be collecting gold in order to return to the gold standard or such modified monetary basis as is adopted. She is said to be ready to do this as her contribution to economic rehabilitation. Diplomatic and financial opinion in Europe is reported to feel that Britain will return to gold or an international monetary basis whether or not there is a moratorium on war debt payments. The reasons given are that it would help improve her invisible exports, particularly her receipts on short interest and commissions, by restoring her international financial dominance.

Control of production, in line with the Roosevelt idea, is said to be favored by industrialists in various countries. Plans for control of oil and copper production are said to be in formulation already. The scheme is to spread the plans to other raw materials. A number of the statesmen visiting Washington may discuss control of agricultural production. Up to date most efforts to exert such control have been complete failures.

* * *

UNDER democratic forms of Government many political obstacles will inevitably be encountered in the discussions. The parliamentary system of British countries will be no exception. In the United States the obstacles may be greater. There is more than wit in Bernard Shaw's statement to Americans: "Your constitution . . . is a guarantee to the whole nation that they could never be governed at all."

If the political difficulties are overcome, the Washington conference may point the way for the world conference in the summer.

As Others See Us

Sinkhole for Revenue

Calgary Herald: The extreme seriousness of the Canadian National Railways' position is emphasized by the fact that the government-owned system cost the Canadian taxpayers more in 1932 than in any previous year under government control and operation. This may prove surprising to the majority of Canadians in view of the drastic retrenchments carried out during the past two years.

The loss to the people of Canada last year through the government railway system, as The Financial Post points out, was seven million dollars more than the British war debt payment to the United States last December, and two million more than the interest on the entire government debt, exclusive of railway debt. It was more than the capital charges upon our war debt, our public works and canals debt, and all other debt — still outstanding — that the Dominion has contracted since Canada was first settled.

Other Peoples' Views

To Live or to Die

Consort Enterprise (Alta.).—It is still a lot cheaper to keep on living these days, even with the added tax on gasoline, sugar, beans, booze, cigarettes and other things which people cannot get along without. A wool coat only costs $10, while a wooden one costs $85 at least. A taxi to the show is 50c, to the cemetery $10. To shave a live man costs two-bits, to shave a dead man $5. A live man can fill his own hide with fluid for less than a dollar, an embalmer gets $15. Two laborers will plant grain a week for $10; they charge that much a day for planting dead men. We just have to admit living is cheaper than dying—so let's go on.

Politics and the Railways

The Herald, Calgary.—Parliament has brushed aside the strong case made out for amalgamation by Mr. Beatty. The Herald believes that his well reasoned proposals were not given the study they deserve, and that the time may come before long when amalgamation in some form or another will have to be seriously considered. The debate in the House of Commons revealed that many of the members were chiefly concerned about the political reactions in store. The railway situation is desperate and requires desperate remedies. Instead, Parliament is making a political issue out of it.

Some Progress at Least

The Evening Telegram, Toronto.—The bill providing for co-operation between the two great Canadian railway systems, which, if it lives up to expectations, will permit of substantial economies in operation, does not provide a complete solution of the existing difficulties but will nevertheless permit of some progress toward extrication of railed transportation from its present serious difficulties.

Short of amalgamation, the legislation now enacted, based on the Duff Commission enquiry, offered the best available opportunity to achieve this end.

That Merger Plebiscite

The Whig-Standard, Kingston: —If there is to be a future decision on (railway) amalgamation, it should be made by the elected representatives of the people. They can feel out public sentiment on the issue as they do on other issues. It is for them, too, to give a lead to the public and to make their own decisions and accept responsibility for them. Such responsibility is an inherent feature of our political system. It should be courageously shouldered in this particular case. Parliament would be shirking its duty if it adopted any other course.

Why the Waterway?

Victoria Colonist—It is incomprehensible why at the present time there should be any continued effort to promote the deepening of the St. Lawrence Waterway. From time to time its protagonists, who are chiefly Americans, indicate progress in the propaganda. They are undeterred by the fact that Canada is in no position to engage in a venture which would cost this country scores of millions of dollars, and the economic feasibility of which, from the standpoint of the Dominion, would be nil. The deep sea waterway from the Great Lakes to the ocean would merely divert a certain amount of traffic from the railways to the waterway and the railways are in no position to bear the loss.

The cost to Canada of a deep sea waterway would be stupendous. Whatever advantages the scheme implies would be more than offset by the cost and insurance rates. Moreover, the St. Lawrence should be kept for the use of Canadians. The propagandists of the scheme put forward strange arguments. One of these is that there would be a saving of six cents per bushel to western farmers on grain shipped by the proposed waterway. The fact is that the present cost from the head of the Great Lakes to Montreal is less than five cents per bushel. The power argument only applies from the American standpoint. There is power available in Eastern Canada for 20 years to come without developing the St. Lawrence sources any further. Altogether the scheme, from the standpoint of Canada, would be a fantastic waste of public funds. Even the present estimates are far below what the cost would ultimately prove.

Is Interest Too High?

Regina Leader-Post.—George Langley, veteran ex-cabinet minister in Saskatchewan and pioneer agriculturist on the prairies, has added his voice to condemnation of what are regarded as exorbitant interest rates.

Interest is rent, and while there may be a growing view that no interest, governmental or private, should exceed five per cent yet risk is something that has to be taken into account. Good security means a lower rate of interest.

Some governments, before lowering interest rates on bonds, put out in their name, have first balanced their budgets, as witness the action of the National Government in Great Britain before offering its memorable conversion loan to the public at around 2½ per cent interest some months ago.

In connection with borrowing the onus is on the borrower to demonstrate that he is a good "risk," that the security on which a loan is based is sound, and that the management is such that the outgo is not exceeding the income.

If a private firm wanted to get a loan at a good interest rate it would have to demonstrate to the borrowers that the business was being managed in a way that was not leading toward bankruptcy. A business that was showing an annual deficit would have to pay a high interest rate if it were about to arrange a loan at all.

This principle also applies to governments. They must balance their budgets before they can lay claim to cheaper money. More borrowing to pay deficits only adds to the troubles of the people.

"Stop Me If You Have Heard This One"

A doctor, an architect and a Bolshevist were discussing the priority of their occupations.

The doctor said: "When Adam's side was opened and a rib removed, to make woman, there was a surgical operation —medicine was the oldest profession."

The architect said: "Yes, but when the earth was made out of chaos, there was a building process, the use of materials according to the plan. The architect is, therefore, the oldest."

To which the Bolshevist smiled and said: "But who supplied the chaos?"

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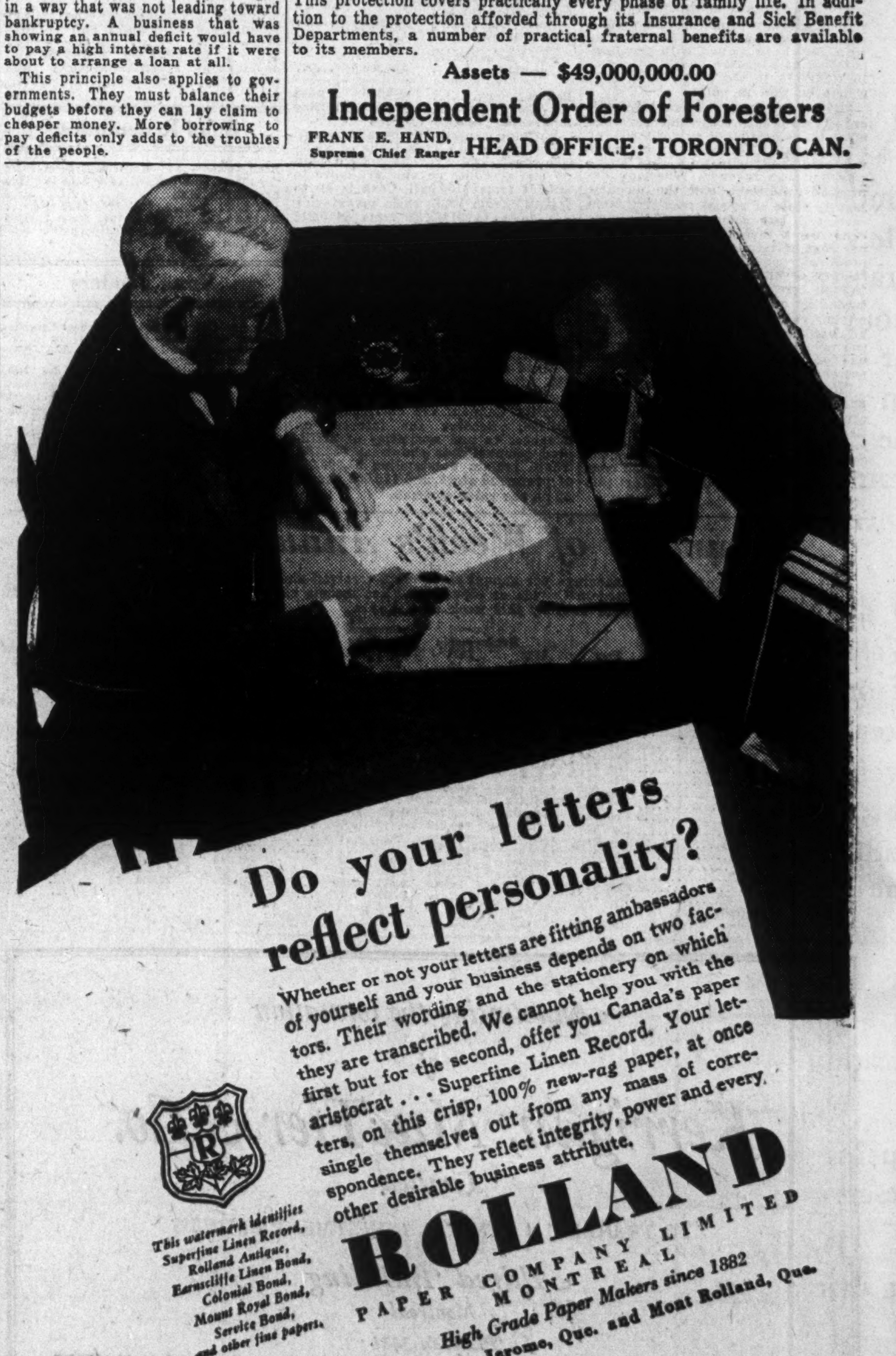

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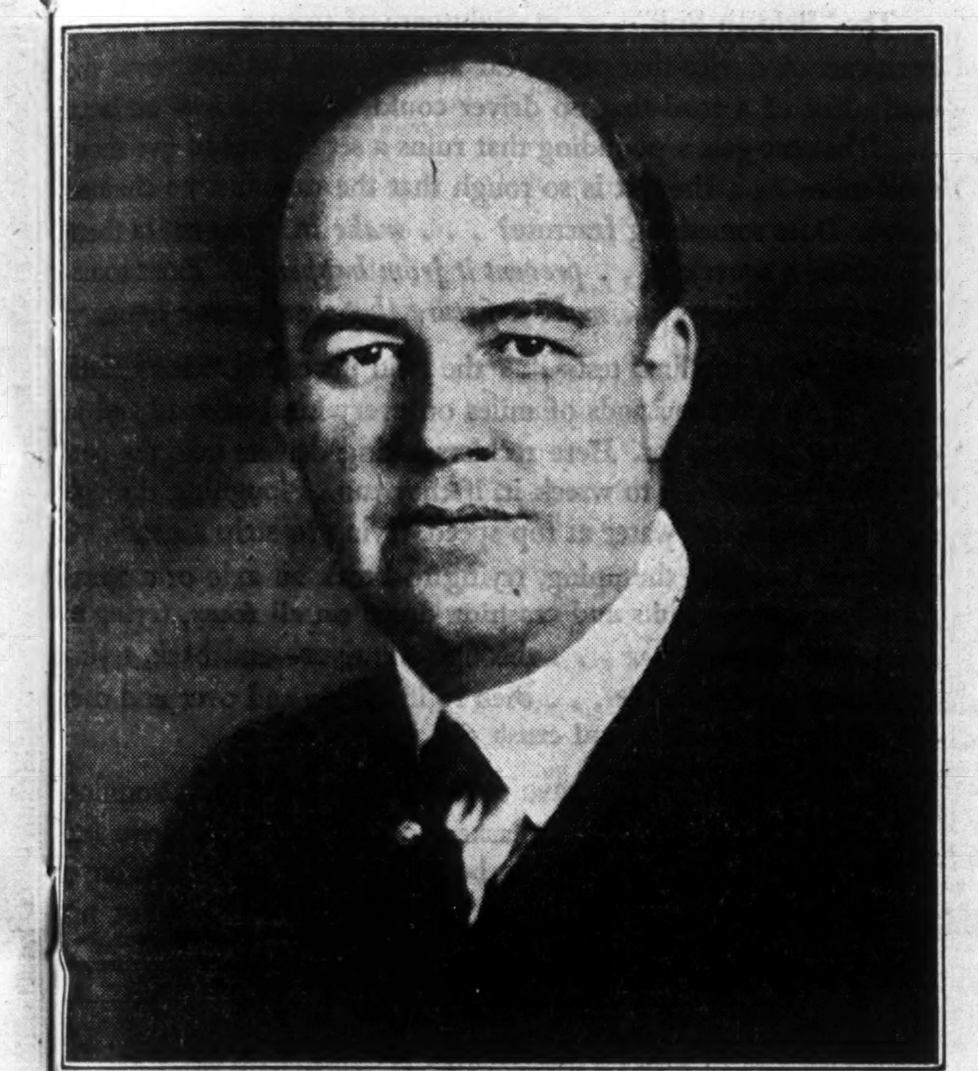

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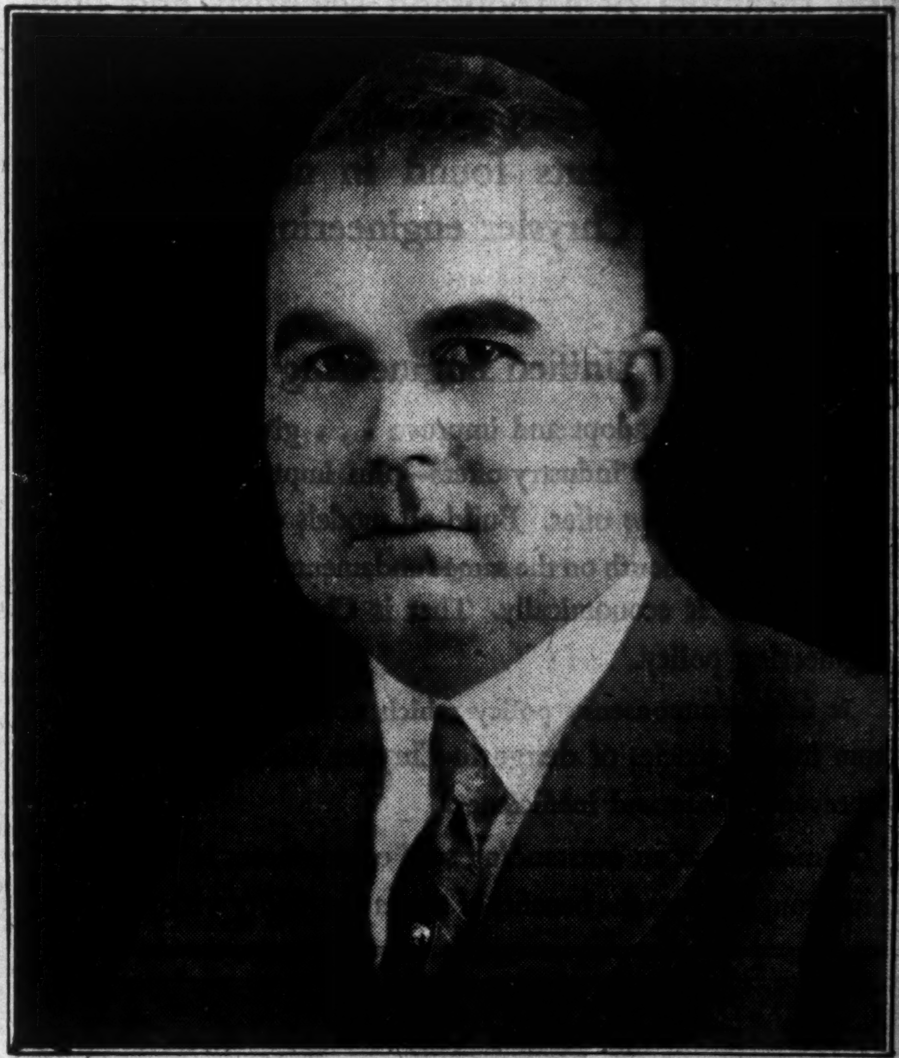


FRED M. ZEDER
Vice-President, Chrysler Corporation

A SPECTACULAR CAR flashed into the motor market in 1924. It outdated the heavy, lumbering "highboy" type vehicle of its day . . . piled up $50,000,000 of sales in a single year . . . established new notions about how a motor car should look, new demands as to how a motor car should perform. It was the first Chrysler Six. An accident? No—a portent! It ended forever the day of the "ingenious mechanic" and inaugurated the age of the scientific automotive engineer.

A great industrial leader and a great group of automobile engineers had joined forces . . . Walter P. Chrysler, from solving the problems of one automobile manufacturing organization after another . . . Fred M. Zeder with a group of twenty-five associates who had made engineering history even under the limitations of outdated tradition and equipment . . . were together under one roof and proceeded to make their dreams come true.

"There are no precedents," said the engineers—and they have proved it, year after year . . . creating faster than others can copy.

"Sincerity of purpose is the greatest force in business—the best way to get business is to deserve it," said Walter P. Chrysler.

He then proceeded to build an organization on that pattern. He has kept it unburdened by investments in outdated plants and equipment—uncommitted to obsolete design, either by advertising or heavy investments in patents. There is no room in Chrysler Motors for an obsolete design, an outdated tool or a man who has the word "impossible" in his vocabulary.

Today, knocking at the door of sales leadership, Chrysler still practises the same principles that made its flying start possible:

"Good merchandise, honestly priced, honestly sold and serviced," is the Chrysler idea . . . "Sincerity of purpose," the driving force . . . "The best way to get business is to deserve it," the slogan.

Never for a day since the first Chrysler have these principles been put aside . . . consequently, Chrysler's lead in motor car design never ceases to grow.

Savage competition met the first Chrysler . . . and it becomes more savage as the lead in design increases. Nevertheless, Chrysler Motors sold 8.75 per cent of the total passenger automobiles registered in Canada in 1929; 16.71 per cent in 1932; and in the first three months of 1933 — 22 per cent of all cars registered in Eastern Canada (Western figures not available).

Chrysler Motors now makes Chrysler, Dodge, Plymouth and DeSoto mo tor cars . . . each based on the same fundamental design to give the greatest value in its price field. There is no fundamental of design in the Chrysler Imperial which is not incorporated in Plymouth, Dodge and DeSoto.

Improvements in these cars do not wait on yearly models. New developments are introduced as soon as they have been proved. The whole organization is geared to swift change. Unhampered by heavy investment in outdated patents or designs, unnecessary plant or equipment, Chrysler Motors can put even a revolutionary development like Floating Power engine mountings into the hands of the public with speed and efficiency.

There is no unreasoning conflict of policies within the Chrysler organization. Its units are welded by sincerity of purpose and faith in their leadership into a single, sharp-edged sword. Chrysler Motors is dominated by a personality. The industry knows it . . . the public knows it . . . the organization knows it, right down to the newest office boy. That personality emanates from Walter P. Chrysler—the Leader, the Pioneer!

Jno. D. Mansfield
President
Chrysler Corporation of Canada, Limited

CHRYSLER • PLYMOUTH • DODGE • DESOTO

High Engineering Achievement

The Chrysler engineering laboratories . . . manned by a thousand doubting-Thomases, where better motor cars are born . . . Scientists searching for better materials . . . Engineers laboriously building, then testing to destruction that which they have built—learning from destruction where they have erred—then building again . . . So that when a salesman tells a buyer what a Chrysler, or a Dodge, or a DeSoto, or a Plymouth will do—neither he nor the buyer is going to be disappointed.

LEADERS must lead. To lead in the motor car business they must lead in engineering. Creative Engineering is the life-blood of Chrysler Motors. Building for today, creating for tomorrow, these parallel activities occupy the lives and thoughts of a thousand scientists and engineers housed in the Chrysler Laboratories. So Chrysler products continually offer the buyer vital improvements found in no other motor cars . . . and Chrysler engineering leadership is maintained.

Unified Engineering

Create, invent, adopt and improve . . . give the public every good thing that the industry offers—plus improvements that only Chrysler Motors *can* offer. Build all models of Chrysler, Dodge, De Soto and Plymouth on the same fundamental engineering design . . . and do it economically. That is Chrysler Motors' Unified Engineering policy.

It is a commonsense policy which accounts for the freedom from inconsistencies of design in Chrysler Motors' products . . . it prevents waste and inefficiency.

It means that an outstanding staff of engineers is lavishing on four groups of cars the benefits of a creative ability without parallel in the industry . . . and giving the buyer in each group a higher value than he could hope to get outside of Chrysler Motors.

Experimental engineering belongs . . . not after the buyer has paid his money . . . but in the laboratory and the test pit. That is where Chrysler Motors keeps it.

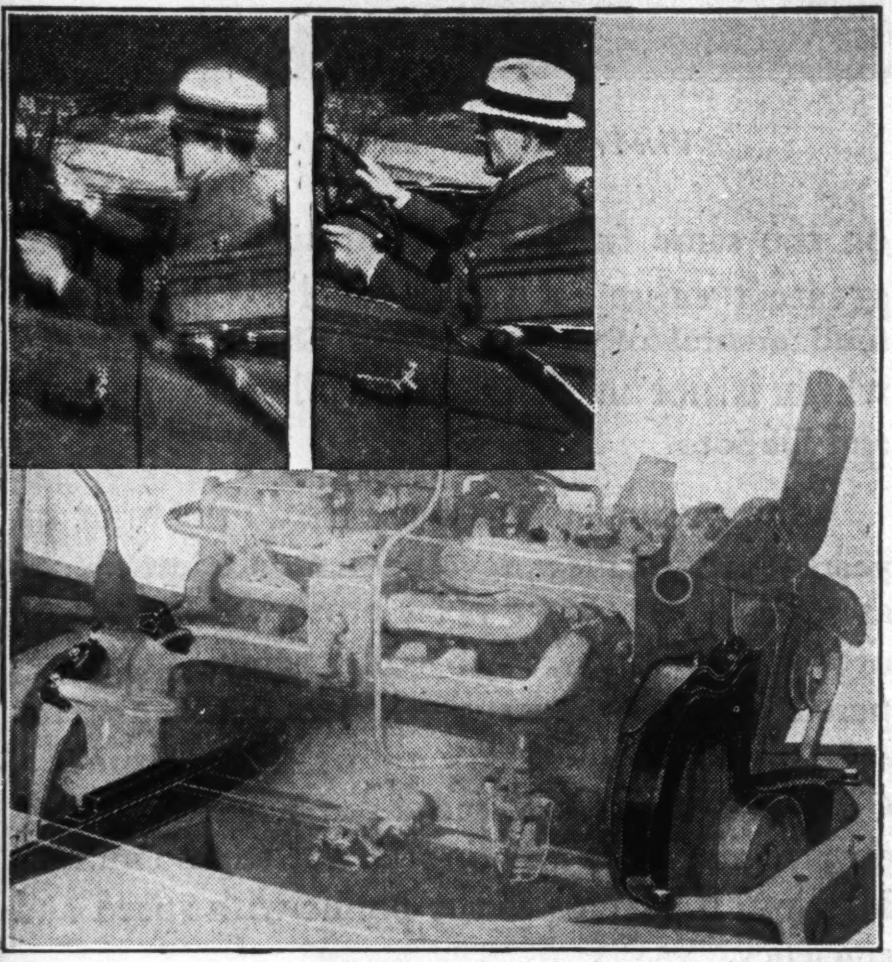
Every improvement must prove that it can stand use and abuse far beyond anything it could conceivably get from the buyer.

Every device must go through the equivalent of years of use on testing machines. Many have been under continuous night and day tests for years . . . still the engineers are not satisfied . . . "where is the breaking point, if any?" is their persistent question.

The "Belgian Roll" . . . a nightmare of torture for the newly born car. A device that puts a car at fifty miles an hour over the equivalent of a road that no driver could stand for half an hour . . . That car gets a pounding that ruins a set of tires in five thousand miles . . . the test is so rough that the car must be chained down. Does something fracture? . . . *make it stronger.* Is there a rattle or a squeak? . . . *prevent it from happening.* Does something come loose? . . . *make a fixture that won't come loose.*

Then come the final tests . . . the sand pit called "Hell's Half-Acre" . . . and thousands of miles on every kind of road and in every kind of weather. Here reckless racing drivers take the new car with instructions to wreck it, if they can. Ploughing through sand and mud and water at top speed, trying to strip a gear . . . skidding, banging, thumping, trying to break an axle or a wheel . . . leaping up banks and crashing down on all fours, trying to break the steering gear . . . through the river—and back, trying to make the engine quit . . . then rolling over and over and over down a hillside to try and crush the all-steel body.

Chrysler Motors' Cars have to "take it" and keep on running. All this before even a dealer is asked to look at a car. As we said before, experimental engineering belongs . . . not after the buyer has paid his money . . . but in the laboratory and the test pit.



Driving Fatigue Banished

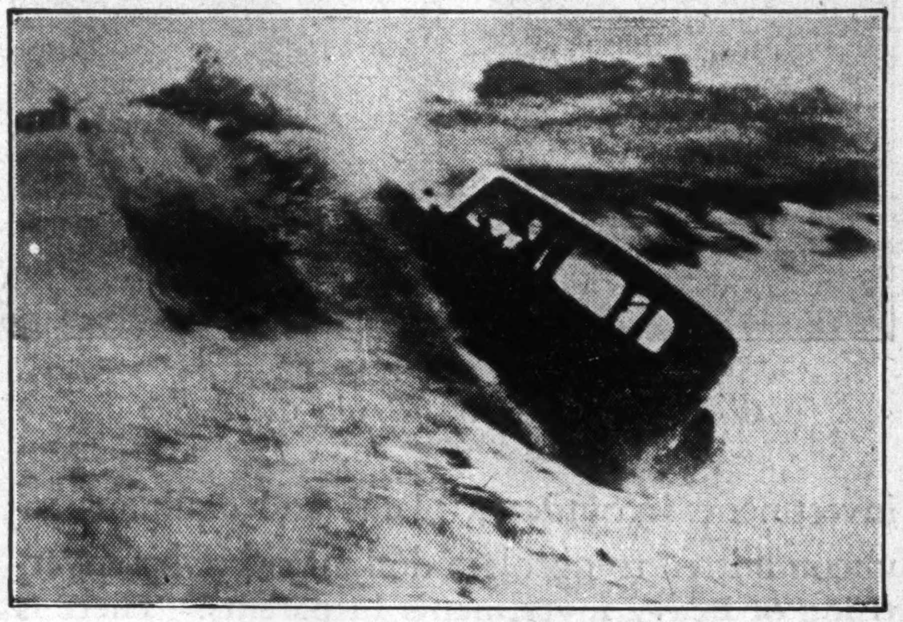
Exhaustive tests conducted by competitive scientists to determine the causes of "drivers' fatigue" have shown that engine vibration is the most important cause.

The introduction in the Chrysler Motors' cars of Floating Power engine mountings has removed this cause of driving fatigue.

Formerly, automobile engines were rigidly attached to the side of the car frame, and every explosion in the cylinders, and every reaction from those explosions, was transmitted to the frame and the body and to the passengers.

Floating Power engine mountings, patented by Chrysler Motors, are based on a revolutionary principle, which permits the engine itself to absorb the shocks resulting from the explosions and torque. Vibration is thus prevented from reaching the frame, the body, and the passengers.

Numerous attempted imitations of Floating Power are being offered to the public. None of these have equalled the results of Chrysler Motors' patented Floating Power engine mountings.



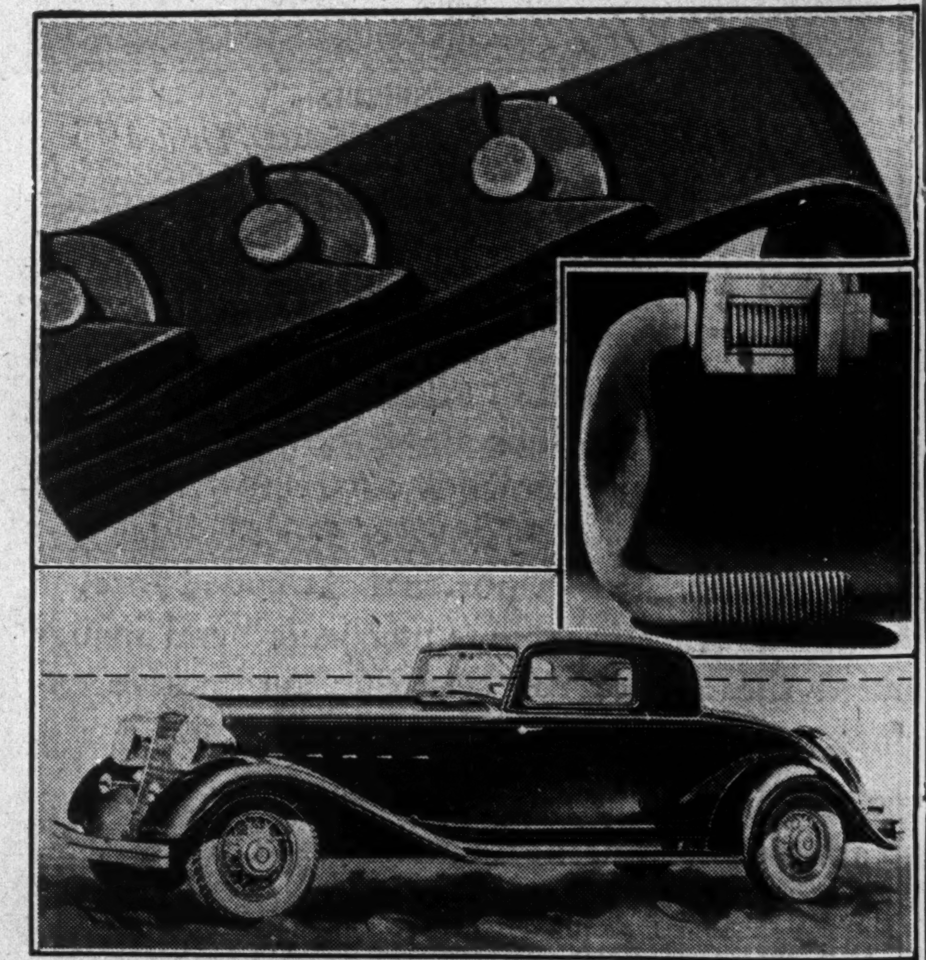
Hell's Half-acre

The ten-acre test pit, where all Chrysler Motors' models are tested for ability to stand twists and strains far beyond anything that the average owner would ever give a car in a lifetime of use, was selected because it was the worst possible piece of ground over which to drive a motor car.

The rear axle of one competitive car broke after 11 minutes of torture in this pit. Chrysler products have been still going strong at the end of five hundred hours in this pit. The results of the tests conducted in "Hell's Half Acre" are important to every owner of a Chrysler Motors' car. The improvements made as the results of these tests, account for the tremendous mileages that Chrysler products are piling up—one hundred thousand miles, two hundred thousand miles, three hundred thousand miles, and more.

The Belgian Roll

This testing device in the Chrysler Engineering Laboratories is designed to break anything that will break—loosen anything that will loosen, and is one of the extreme tests that every new Chrysler Motors' model has to pass. Any automobile that is not one hundred per cent. structurally strong will break in a short while under the terrific hammering and twisting.



Smoothing the Bumps

Easy riding in automobiles is the result of many things. In the effort to make easy riding cars without excessive weight or wheelbase, it has been found possible to substitute the results of scientific research and engineering for mere steel.

In thinking of easy riding, one naturally thinks of springs. In Chrysler-built automobiles there is a disc of Oilite metal between each leaf in every spring. This is a composition of metal and oil which, when subjected to friction, exudes oil. The results are that the spring not only operates smoothly, but it never squeaks and never needs greasing. Oilite discs in the springs of Chrysler Motors' cars have made possible some very desirable changes in spring construction, which would not have been possible without this discovery.

Another contribution to smooth riding is the U type shackle, which has a very long life, operates smoothly, does not permit side sway, and, in addition, will not rattle. On every Chrysler Motors' spring, at the end opposite to the U shackle, is a rubber cored shackle which does not wear, does not need lubrication, and operates very smoothly.

CHRYSLER · PLYMOUTH · DODGE · DESOTO

A steel ring and an iron block

Valve grinding has always been a serious item of expense in an automobile. Exhaust valves, particularly, have been leaking due to the terrific heat of the exhaust flame.

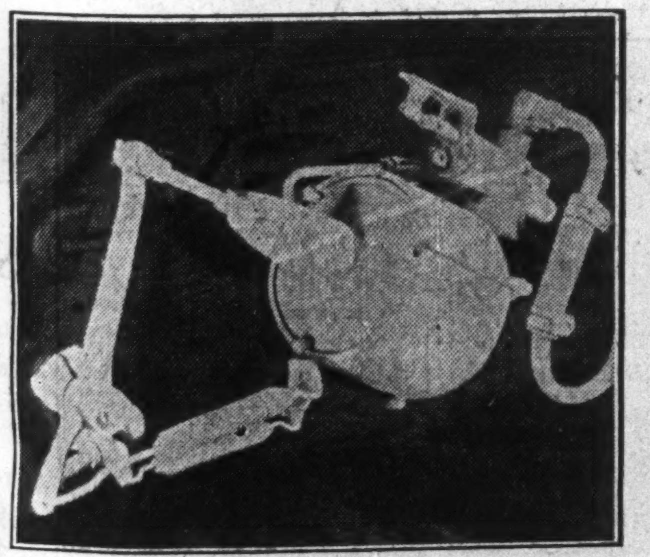
Chrysler Motors' cars are now fitted with a hardened alloy steel valve insert, which is not injured by the terrific heat of the exhaust flame, and, consequently, multiplies several times the length of service without grinding.

The perfecting of hardened steel valve seat inserts and their adoption as standard equipment on a complete line of cars is a Chrysler Motors' innovation, which will save motorists hundreds of thousands of dollars. It is an example of scientific engineering.

Economical Repairs

One of the important things that Chrysler Motors keeps in mind at all times is convenience in making any necessary repairs. Convenience in making repairs means a saving in time, and a saving in time means a saving in money to the car owner.

An example of their success in this direction is the removable connecting rod bearings as shown above.



Nothing for the Left Foot to do

The automatic clutch, shown above, combined with Chrysler improved free-wheeling, is a great contribution to smooth, quiet and simple operation of motor cars.

Gears are shifted at all times without touching the clutch. There is nothing for the left foot to do. Strain and wear on the transmission is greatly reduced.

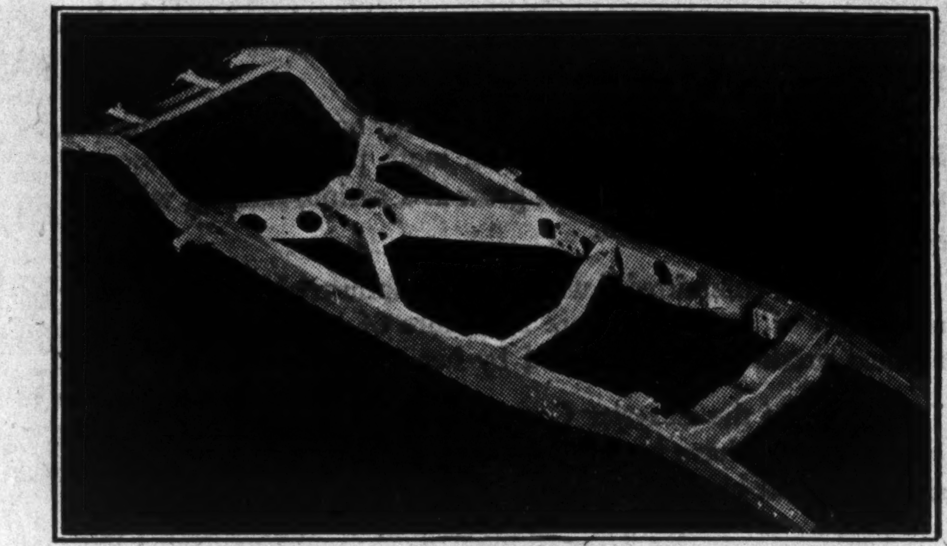
Hugging the Road

Since the first Chrysler in 1924 Chrysler Motors engineers have led in keeping the centre of gravity in their automobiles close to the ground.

This means greater stability and makes it possible to take turns at higher speeds with safety, and permits the car to be tilted at an extreme angle without upsetting.

Today's extremely low cars, as exemplified by Chrysler Motors' automobiles—Chrysler, Plymouth, Dodge and De Soto—are made possible by the double-drop frame.

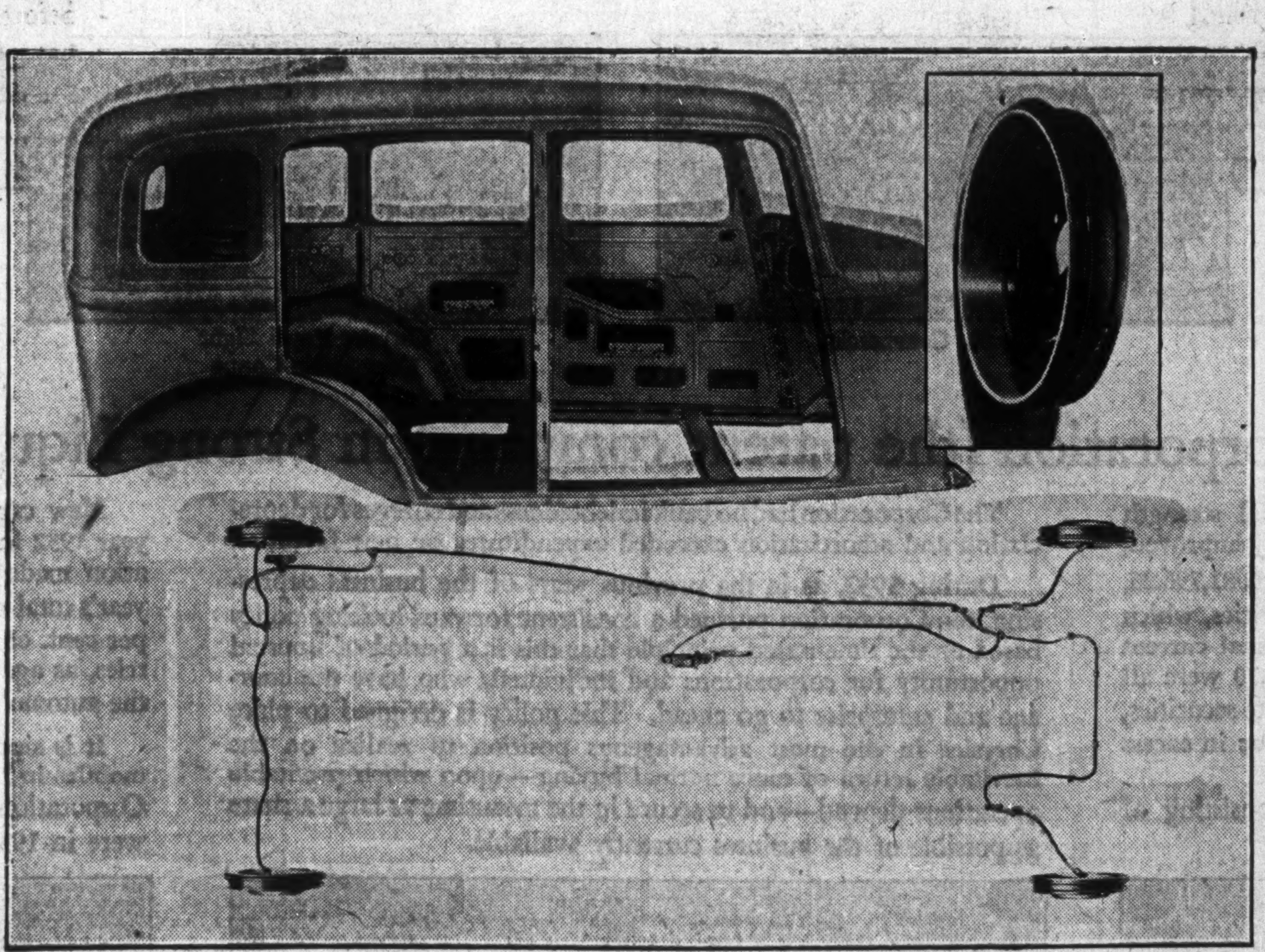
Due to the improved metals now available, Chrysler frames are not only ten times stronger than an ordinary frame, but they are lighter. This is one of the victories in the battle being waged by Chrysler Motors against excessive weight. Unnecessary weight is a waste of money in the initial purchase of a car—a waste of money in operating the car and it adds nothing to the riding qualities.



The girder truss design of this double-drop frame reduces weaving and makes possible the building of a more rigid Chrysler Motors' all-steel body which will be free from squeaks and rattles.

The Greatest Safety Combination in Motordom

With today's high speeds and crowded highways safety to the operator and his family is becoming a paramount consideration when selecting a motor car. Chrysler Motors' cars have made the greatest progress in the industry in safety features. In addition to the double-drop frame, the advantages of which are described elsewhere, Chrysler offers the all-steel body and Hydraulic brakes with centrifuse brake drums.

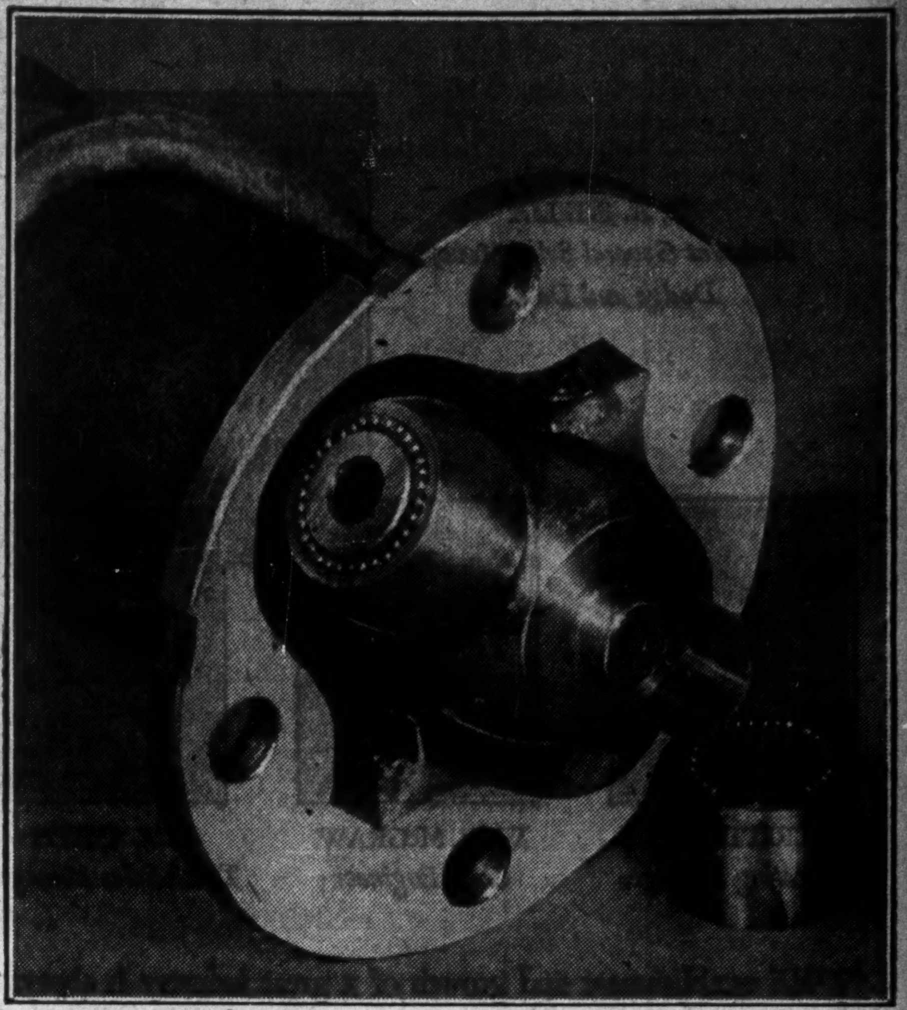


There can be no question that the all-steel welded type of body makes the safest type of motor vehicle known. In ordinary tests Chrysler Testing Engineers roll these cars down the sides of mountains, turning them over and over—they leap into the air, land on the top—land on a corner, and finally wind up at the bottom, very often with no glass broken and with the doors opening and closing freely. No other body will stand such a test. The records are full of instances where Chrysler Motors' cars have been in unavoidable accidents and the occupants escaped with only a shaking up. The public is awakening to the fact that they cannot take risks riding in bodies that offer a lesser degree of safety.

The other feature in Chrysler safety combination is Hydraulic Brakes with centrifuse brake drums. The operation of Hydraulic brakes is based on an unchanging law of hydraulics. When the driver's foot goes on the foot pedal, the four brakes are subjected to exactly the same amount of pressure. This means that hydraulic brakes are always equalized. The addition of centrifuse brake drums to the combination means a smoother stop, a quicker stop and longer life. The centrifuse drum, which consists of a steel drum with cast iron spun into the braking surfaces, "trues" itself—keeps round without having to be frequently ground down—increases the life of brake linings and lasts many times longer than the conventional steel drum.

This year Chrysler cars have introduced safety glass in the windshields as standard equipment, and have made safety glass in all windows optional, at slight extra cost.

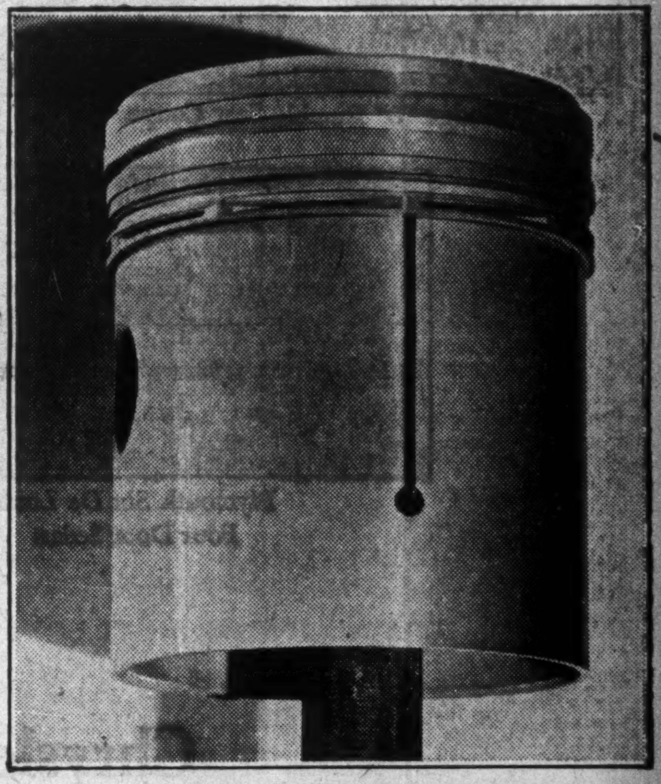
Hydraulic Brakes with Centrifuse brake drums, all-steel body with safety glass windshields, and double-drop X-type frame make the greatest safety combination in motordom.



Long-lived universal joints

Universal joints, which are mechanical devices for transmitting power at an angle, are subject to terrific strains and a great deal of friction, and consequently, they require a great deal of lubrication and are subject to wear. Chrysler Motors' cars now have universal joints equipped with needle-type roller bearings, which seldom need lubrication, and the wear will be very slight over the life of the car.

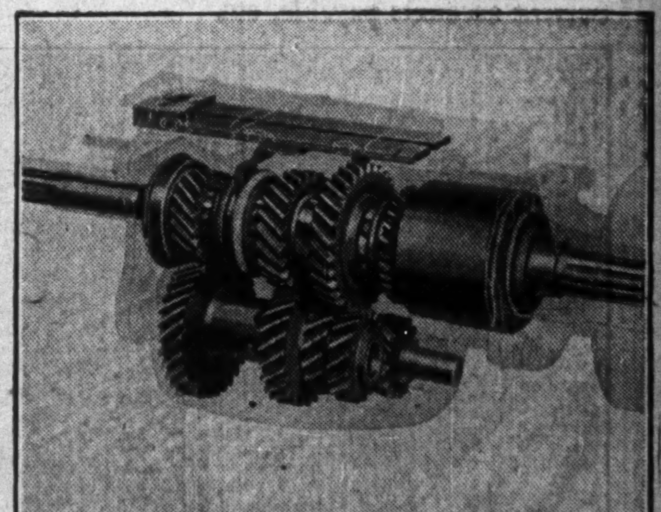
Every time friction is removed the effective transmission of power is increased—thus saving gasoline. Needle-type roller bearing universal joints will produce smoother mechanical action and increase the comfort of riding in the automobile.



Save Weight in Moving Parts

While it is important to reduce the weight in the chassis and the body in order to get efficient economical operation, it is more important to reduce weight in the moving parts, particularly in the engine.

Chrysler Motors introduced light weight alloy pistons in the first Chrysler in 1924, and has led the industry in the development of this type of piston ever since. The latest development is the T-slot piston as shown above.



All-Silent Transmission

A few years ago, transmissions with "silent second" were hailed as a great advance in quiet motoring. Here is a transmission . . . silent in all speeds, including reverse. A notable contribution to restful motoring.

These gears not only run silently but shift silently . . . and with automatic clutch and free-wheeling they shift without effort.

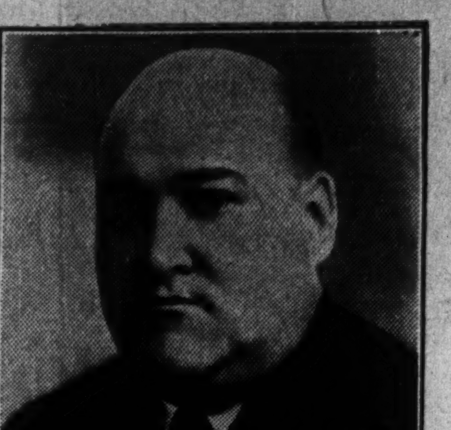
CHRYSLER • PLYMOUTH • DODGE • DESOTO

Chrysler Motors in Canada

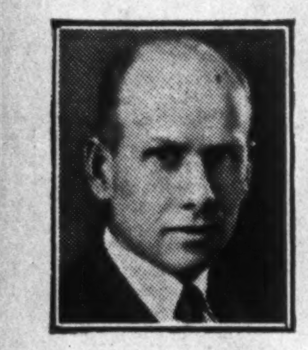
R. A. SHELLY
Assistant General Sales Manager
Dodge and De Soto

RUSSEL PAIGE
General Sales Manager
Dodge and De Soto

JNO. C. McGUIRE
General Sales Manager
Chrysler and Plymouth



A. J. SHAW
Assistant General Sales Manager
Chrysler and Plymouth



K. CRITTENDEN
Operating Manager

W. E. McGRAW
Chief Engineer

C. T. SMITH
Truck Sales Manager

A. M. MILLER
Director of Advertising

WILLARD S. SCOTT
Fleet Sales Manager

J. H. HICKEY
General Service Manager

THE establishment and growth of a great industry is always a matter of supreme importance to the people of Canada—involving as it does utilization of Canadian materials from field, forest and mine, employment for Canadian workers and food and clothing and shelter for Canadian families.

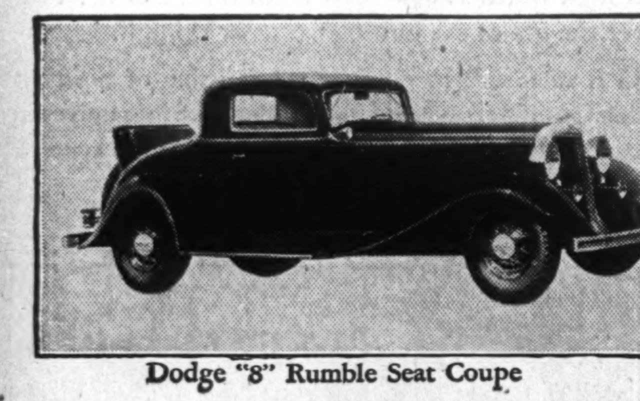
To devote the man-power of Canada mainly to the production of raw materials for other nations to work into finished products is to be content with a state of economic bondage which no virile people could endure.

Only as stable industry grows within our borders and our people become engaged in the higher and more profitable processes of manufacture can the Dominion grow as a nation, ranking with the great peoples of the earth.

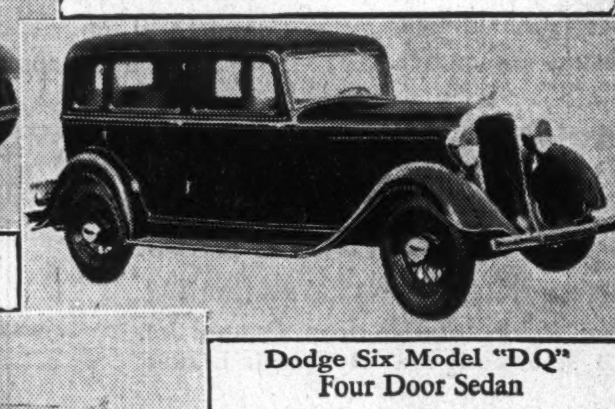
Canada is committed definitely to an industrial destiny—to the utilization of more and more of her raw materials in finished products manufactured by her own people.

Since 1914 the Chrysler Corporation of Canada, Limited, and its predecessors have been established in Canada, and their history since that year has been a record of substantial progress.

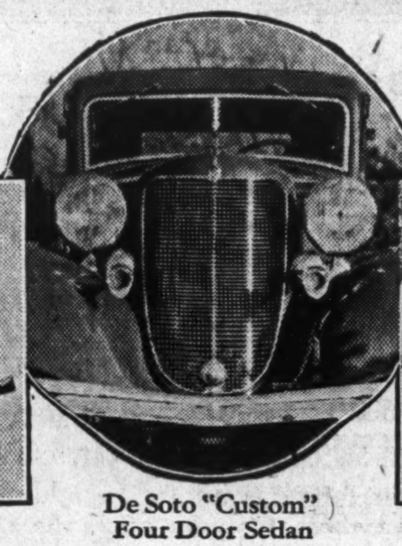
In 1924 the operations of the Corporation and its subsidiaries occupied eight acres of Canadian soil. Today its properties comprise over seventy-two acres. In 1924, with only one factory, there were but 60,000 square feet of floor space. Today, with two plants at Windsor, Ontario, and a Parts Depot at Regina, Saskatchewan, the Company employs 584,414 square feet of floor space.



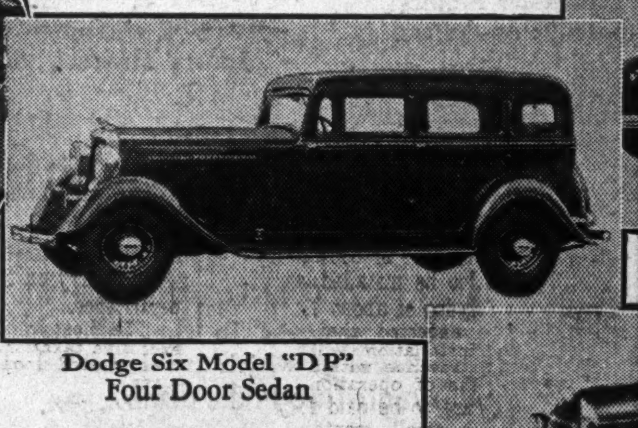
Dodge "8" Rumble Seat Coupe



Dodge Six Model "DQ"
Four Door Sedan

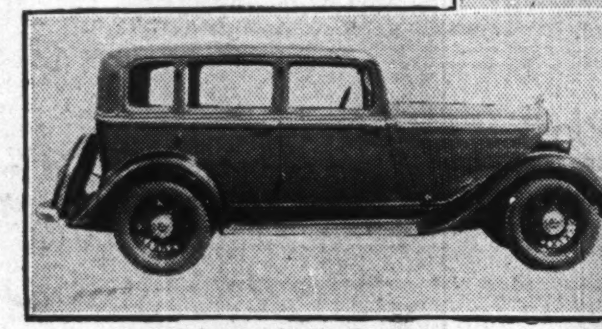


De Soto "Custom"
Four Door Sedan

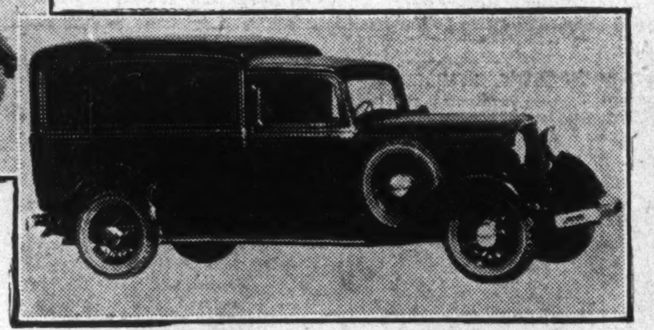


Dodge Six Model "DP"
Four Door Sedan

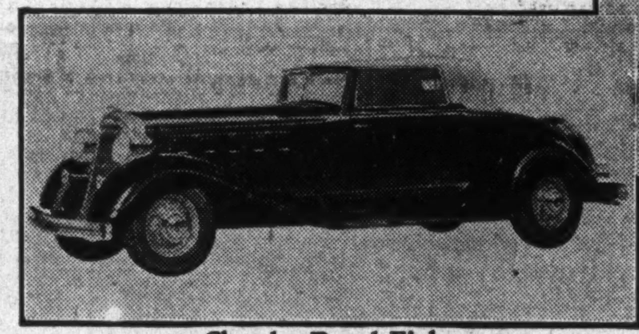
Chrysler Imperial
Four Door Sedan



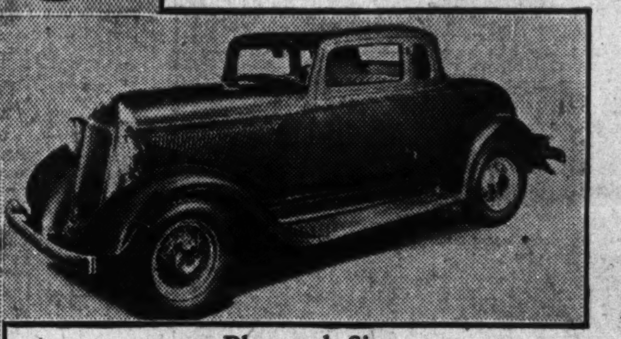
Plymouth Six De Luxe
Four Door Sedan



Dodge Six Commercial



Chrysler Royal Eight
Convertible Coupe



Plymouth Six
Rumble Seat Coupe

Chrysler Corporation (the parent company) in Strong Liquid Position

Chrysler Corporation ended 1932 with its financial strength unimpaired and in some important respects substantially improved.

Current assets as of December 31st, 1932, stood at $65,681,796.25, of which $42,602,494.46 was cash and marketable securities, which is equivalent to 64.86 per cent. of the Corporation's total current assets. Marketable securities amounting to $8,866,632.70 were all United States government securities and prime short note securities, the market value of which at December 31st, 1932, was in excess of that amount by $23,342.56.

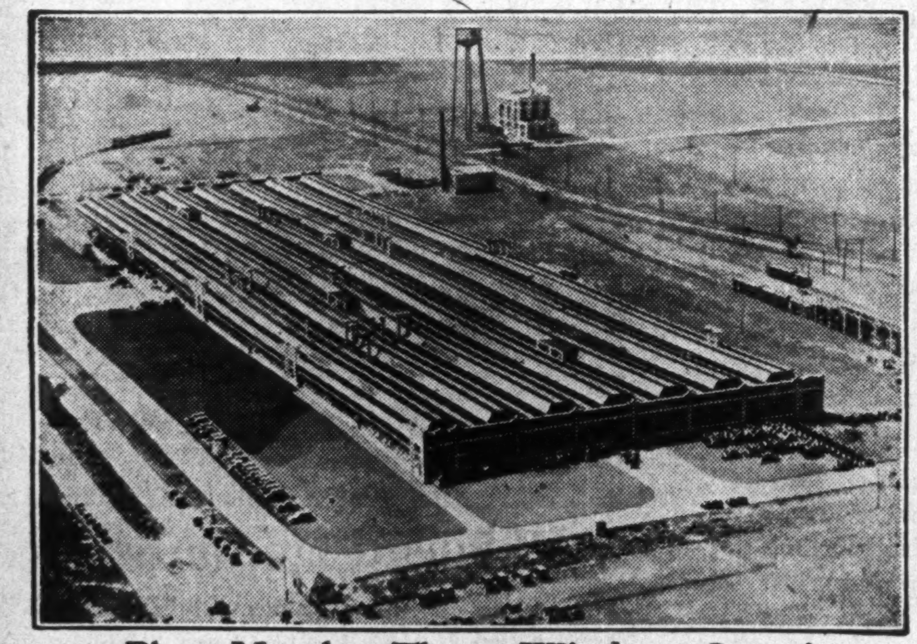
Current liabilities amounted to $16,395,379.84, consisting of current accounts payable, etc.

The Corporation had no bank indebtedness and charges for depreciation and amortization exceeded expenditures on new facilities.

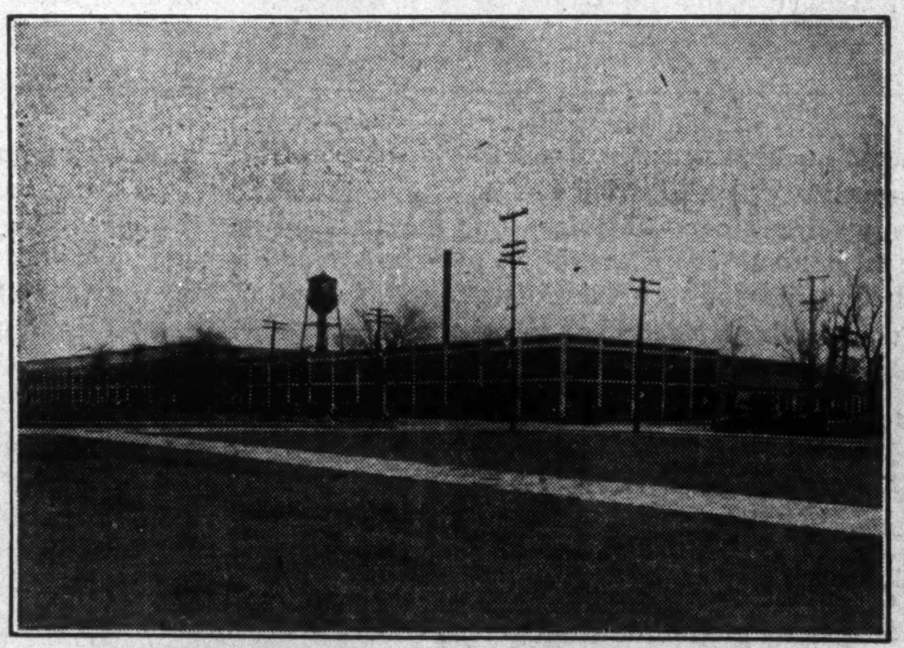
During 1932, as in the previous years of the business depression, the Corporation pursued a consistent forward-looking policy based on the time-tested principle that this is a period of unusual opportunity for corporations and individuals who have the courage and enterprise to go ahead. This policy is designed to place Chrysler in the most advantageous position to realize on the inevitable return of more normal buying—upon which profitable operations depend—and to secure in the meantime as large a share as possible of the business currently available.

New car registration figures which are available for the full year 1932 in the United States and Canada show that this Corporation made the most outstanding gain in its percentage of the year's total domestic retail sales. In 1931 the Corporation had 17.4 per cent. of the total passenger automobile business of these countries, as against 12 per cent. in 1931. This is the largest share of the automobile business which Chrysler Motors has ever obtained.

It is significant to note that while sales of all makes of automobiles in 1932 were 57.5 per cent. of what they were in 1931, this Corporation's sales last year were 83.7 per cent. of what they were in 1931.



Plant Number Three, Windsor, Ontario



Plant Number One, Windsor, Ontario

Parts Depot, Regina, Saskatchewan

CHRYSLER CORPORATION OF CANADA, LIMITED

WINDSOR, ONTARIO

CHRYSLER • PLYMOUTH • DODGE • DESOTO

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXVII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, APRIL 22, 1933 | 10c a Copy; $5.00 a Year | No. 16

GOVERNMENTS BORROW 32.2% BANK ASSETS

Banks' Holdings of Government Debts Reach Record

FINANCING DEFICITS

Some Claim Deficits Preventing Credit Expansion; Others Say They Maintain Buying Power

Bank holdings of government securities and bank loans to governments of Canada amounted to 32.2 per cent of all bank assets at Feb. 28, analysis of the latest bank statement by The Financial Post reveals.

This is much the highest proportion of bank assets employed in government financing on record. The total volume of government financing held as bank assets is also greater than ever before. Of total bank assets of $2,781,964,923 at Feb. 28, 1933, $895,170,461 was employed in government financing.

The meaning of this striking development, in the opinion of economists, is that banks are directly or indirectly financing government deficits in Canada. It is also thought that banks may be doing this unconsciously. Bankers have been practically unanimous in condemning government deficits in Canada, however, and this absorption of bank credit may have had a bearing on their opinions. The present and future results of this development are not perfectly clear and do not get anything like unanimous agreement among economists.

Effect on Commerce

Some students of credit conditions in Canada do not believe that this enormous increase in government financing by the banks means that credit will not be available for financing commerce and industry when the demand arises. They point out that the Finance Act can be used with these holdings as security, to obtain Dominion notes for credit expansion. This would remove any necessity to liquidate these bank assets suddenly.

As far as the banks are concerned, this rapidly increasing proportion of investment in government debts indicates greater liquidity. Banks find themselves more or less obliged to invest reserves in government securities as their commercial loans are repaid. They have to employ reserves profitably, and government bonds provide the easiest method of doing this, at the same time providing liquidity. The growth of the proportion of assets in this form of low-yield investment has tended to reduce bank earnings, and is thought to be a prime factor in the move for lower interest rates on deposits now in progress.

Two Interpretations

There are two main schools of thought as to the economic consequences of the increased holdings of government debts by Canadian banks. One sees government deficits as halting the normal course of credit expansion and business confidence in Canada. The other believes that government deficits have maintained consumer purchasing power, and would like to see larger deficits, but appears somewhat dubious as to what proportions such increased deficits should reach.

J. M. Keynes, the famous British economist, who has not hesitated to criticize even a Chancellor of the Exchequer, favors a programme of government expenditure in Britain. He thinks this would start the ball rolling toward recovery. But he takes as starting points for his argument a budgetary policy which will have public confidence and effective open market buying of securities by the Bank of England.

Mr. Keynes had the distinction of being the prophet of the breakdown of the Versailles treaty and of the detrimental and deflationary effect of Britain's resumption of the gold standard in 1925. His premises as to budgetary policy and effective purchases of securities, resulting in lower long and short term interest rates, do not appear to have been achieved in Canada. Britain has led the world in effecting the initial steps which Mr. Keynes considers necessary to recovery.

In opposing government deficits, and advocating balanced budgets, the first group of opinion reasons this way:

Deflation of commercial loans, voluntary and involuntary, places reserves in the hands of the banks. The banks then employ these funds by buying government bonds. If no new debt is being created by governments, these purchases, such as have been made in the last three years, would increase bond prices, reducing yields. This effect would first be seen in Dominion bonds, since they are considered the most desirable type of government debt for investment. This would cause banks, in their own interest, to buy more provincial bonds with the same result. A resultant transfer of a larger proportion of bank assets into municipal bonds would take place, and tend to raise prices of such securities.

Credits would have then been placed in the hands of the former holders of these Dominion, provincial and municipal bonds. A condition would thereby be created in which corporations, institutions and individuals would have funds available for investment in high-grade utility and industrial securities. In time, prices for such securities would improve, and confidence would be created. A demand for commercial loans would gradually be engendered and greater industrial activity would ensue.

Opponents of this thesis say that to create the condition where credit is available in the hands of the individual or corporation, by release of invested funds, might be ineffective. They argue that it would not necessarily get the credit into use.

The balanced budget school says that if deficits were not being created, taxation could probably be reduced somewhat, and at least savings and credit would not be absorbed by governments. Purchasing power would be improved, since people would not be paying such a large proportion of their incomes to the government and would not be turning such a large proportion of their capital into financing deficits. It is also contended that confidence created by balanced budgets, achieved by wielding the axe, would cause more expenditure by individuals and corporations.

McKenna's Contentions

Rt. Hon. Reginald McKenna appears to follow this line of reasoning. At the recent annual meeting of shareholders of the Midland Bank, of which he is chairman, he contended that the easy money policy in the United States had not even been tried. He stated that as fast as the Federal Reserve System bought gilt-edged securities from banks, the banks repaid their advances from the system or held the proceeds in reserve against the emergency which was approaching. Thus, Mr. McKenna contended easy money did not get any further than the first step because there was no subsequent use of the credit created.

In the United Kingdom, Mr. McKenna stated, only "half a policy" of easy credit had been tried. He contended that the high prices effected for government securities, at the time of the 1932 conversion loan, had not been allowed their full effect because the market had been closed to new capital issues, thus preventing some seepage of the easier credit into industry. But he did allow that some degree of credit improvement had been effected by the half policy.

In Canada, the balanced budget proponents claim that we are in a similar position to the United States. The banks, consciously or not, they believe, have followed an easy money policy by buying enormous quantities of government bonds. But the possible effects of this policy have been nullified by creation of more debt by governments. They contend that the process of evolution of credit into industry has been halted at the outset by government deficits.

Some Prefer Deficits

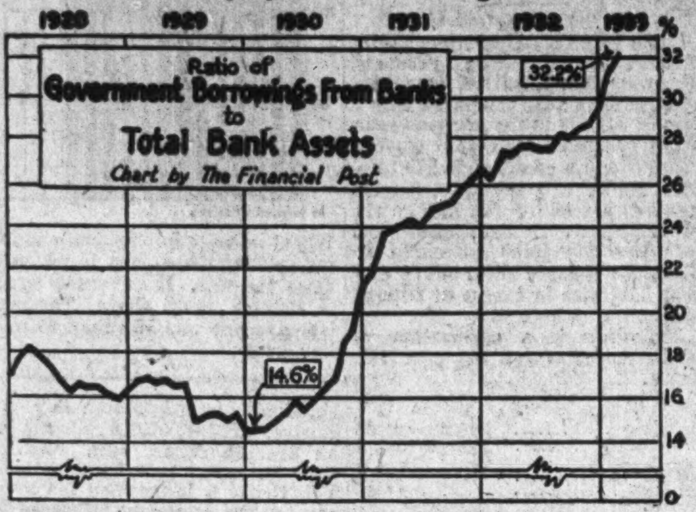
The second school of opinion, that more and larger deficits should be created says this:

Continued expenditure by governments has maintained purchasing power to a higher degree than would otherwise have prevailed. This has prevented even greater deflation of business than has taken place. If government deficits had not been continued in Canada, purchasing power would have been lower and would probably have brought lower securities prices. If government deficits were increased by additional governmental expenditures, purchasing power of the consumer would be increased by the flow of these expenditures into business. Governments could go on spending for some time yet, and the Dominion could force banks to lend it more money if they refused to do so willingly.

There appears to be some doubt among holders of this opinion as to what savings depositors would do when it was learned that such a policy was being followed. Bankers feel that it might result in huge runs with possible serious harm to the delicate credit mechanism.

Answers are not readily forthcoming as to how far budget deficits of this kind should be allowed to go. It is doubtful whether even the proponents of deficits would reason that the larger the deficit the better. It would appear that there would have to be some limit, lest national bankruptcy should be effected.

Bank Assets Employed in Financing Governments



Proportion of total bank assets employed in Government securities and loans increased from 14.6 per cent to 32.2 per cent between January, 1930, and the end of February, 1936. This development, illustrated in the chart above, indicates increased liquidity of banks. It also indicates that banks are taking a large part in direct or indirect financing of Government deficits. Bank assets employed in Government financing, used to compile this chart, include holdings of Dominion and provincial Government bonds, bonds of Canadian municipalities and foreign and colonial governments and loans to Canadian provinces and municipalities. Provincial and Dominion Government bonds comprise about two thirds of the total Government debt held by banks. The implications of this development are discussed elsewhere on this page.

HYDRO MAY USE OVER $1,000,000 ON NEW HEATERS

Expected to Pay For Themselves Through Power Sold

Possible initial expenditure of over $1,000,000 by the Ontario Hydro may result from its new plan of free installation of flat rate electric water heaters in Ontario homes. The placing of money in circulation through the industries which will supply materials and labor for the heaters is expected to benefit many other citizens, according to Hon. J. R. Cooke, chairman of the Ontario Hydro commission.

The average cost of a flat rate heater to the Hydro is expected to be $20. If 50,000 heaters are installed, the cost of the equipment to the Hydro would be the sum mentioned. It might be more because a number of booster heaters would also be installed, at a cost to the Hydro of about $10 each.

It is expected that a water heater installation will pay for itself in revenue within the first 12 months of operation. Booster heaters are to be paid for by the user in a small monthly rental. Since the power used by flat rates heaters would otherwise vanish into thin air, and as the revenue is all new income, the installations are claimed to be costing the Hydro nothing.

Campaign Just Started

The campaign to install heaters free has just been launched, and is to last for six months. The commission has chosen the spring and summer season, when hot water is most in demand, to start the campaign. It is also at this season that domestic furnaces are shut off for the summer, and the winter source of hot water supply thus removed.

On the basis of rates recommended by the Ontario Hydro, The Financial Post has calculated for various centres the monthly cost of flat rate heaters. These rates are based on the 500-watt heater, which is large enough for a household of four to five persons, although 400-watt equipment is the smallest installation being made. The estimated cost is as follows:

Approximate Monthly Cost to Consumer of Flat Rate Electric Water Heater
500 Watt Capacity

	$		$
Barrie	2.17	Oshawa	2.13
Belleville	2.13	Ottawa	1.77
Brantford	1.90	Perth	2.04
Cobourg	2.35	Peterboro'	2.17
Guelph	1.90	Port Hope	2.53
Hamilton	1.68	St. Catharines	1.68
Kingston	2.22	Stratford	1.95
Kitchener	1.86	Toronto	2.13
Lindsay	2.62	Windsor	1.95
London	1.90	Woodstock	1.90
Napanee	2.31		

Circulation of Money

The Ontario Hydro's hopes of benefit to most Ontario citizens, through this expenditure on heaters, is based on the ordinary circulation of money from hand to hand. It is believed by Hydro officials that, through re-employment of the money paid out, a considerably greater purchasing power than the initial expenditure will result. J. M. Keynes, the noted British economist, has estimated that government expenditures should cause at least 1½ times the expenditure in additional purchases, and probably more. Thus, a possible outlay of $1,000,000 by the Hydro on heaters should bring about total expenditures of at least an additional $1,500,000 by the recipients of the money.

The initial expenditure by the Ontario Hydro is being used for purely Canadian materials. As a result, the Hydro expects that new plants may come into being in Ontario to supply thermostats and other special new equipment required for water heaters.

Judge in Soviet Trial Well Known in Canada

One of the judges sitting in the "trial" of the British engineers charged by the Soviet Government with sabotage and espionage is Ludwig C. A. K. Martens. At one time Martens was unofficial Soviet ambassador to the United States. He was never recognized by the United States and was deported in 1921 for carrying on red propaganda activities in the United States.

Martens was well known in Canada. During the years 1916 to 1921 when he was a resident of the United States he frequently visited Ottawa, advising and co-operating with the well-recognized agent of Moscow in this country. During the Winnipeg strike of 1919 he visited the western metropolis for purposes that were never fully revealed.

Martens is by birth a German and is believed at one time to have been attached to the German naval service. Both of his parents were Germans although he was himself born in Russia.

The United States Government was never able to prove that he distributed Soviet propaganda in the States but he admitted himself to be a member of the Third Internationale and after a trial that lasted from January to December, 1921 his deportation was ordered and effected.

Later the Soviet Government raised him to the bench.

Chambers of Commerce Launch Tax Campaign

United Effort by Boards of Trade Throughout Canada Is Planned to End Overexpenditure by Public Bodies

Boards of trade in Canada can point to numerous resolutions that they have in the past inscribed upon their records, urging greater economy in public affairs.

The Canadian Chamber of Commerce, central organization for the boards of trade of Canada, has also passed similar resolutions.

Most of these resolutions have been smothered by other resolutions on matters of lesser importance. On more than one occasion, meetings of the Chamber and of individual boards have passed resolutions asking the government to reduce expenses and have at the same time passed other resolutions suggesting or supporting some brand new expenditure.

Now it appears, however, that the boards of trade, speaking for the business men of Canada, are going to take seriously in hand the problem of the depressing tax burden of Canada and bring their combined influence to bear upon the task of educating the public to the inescapable consequences of continued over-expending by Canadian public bodies.

Draft Resolution Speaks Out Strongly

Meetings of the leading boards of trade of Canada have been called to give business men an opportunity to discuss a resolution which has been drafted by the Canadian Chamber of Commerce and already communicated by that body to the Minister of Finance at Ottawa.

This resolution reads as follows:

> "The Canadian Chamber of Commerce expresses disappointment and concern that the federal budget as now before Parliament, while adding to the already heavy burden of taxation, does not indicate that economies have been adopted to the degree necessary to meet the present serious conditions and respectfully suggests that those economies already proposed be further extended to permit of the national budget being balanced at the earliest possible date.
>
> "The Chamber does not presume to suggest in detail how such governmental economies should be effected but it does venture to point out that Canada is a much over-burdened country and the Chamber desires to assure the Government that it would heartily endorse further drastic reductions and rearrangements of the public service.
>
> "The Chamber respectfully points out that since those engaged in commerce, industry, finance and the public generally have been required to economize and to develop efficiency to an unprecedented degree, it behooves the Federal Government to apply the same principles in the conduct of the country's business.
>
> "To sum up, the Canadian Chamber realizes that it is the duty of each citizen to be personally concerned about the state of the national finances and to assist the government in its efforts toward economy by assuring it of the support of the general body of citizens to that end; and further the Canadian Chamber believes that informed public opinion requires that prevailing conditions should be met by the Government taking the necessary steps now in reducing expenditures, however drastic they may be, and that action should not be deferred."

Following up the studies on public expenditures made by the Chamber's National Committee on Economy in Public Finance the simultaneous discussion and passage of this resolution by boards of trade in every part of Canada should have a strong influence upon public and political opinion in Canada.

Should Now Concentrate on Single Problem

The Canadian Chamber of Commerce, which should assume the rôle of speaking unequivocally for Canadian business, has been somewhat late in taking up the pressing problem of governmental economy in a thoroughly aggressive manner but now that it has taken two major steps, after a series of shorter and somewhat halting steps, it should carry on the campaign of public education with courage and persistence.

The most important single problem of Canada today is that of excessive taxation. Business associations' primary efforts should be concentrated upon the task of forcing reduction in public expenditures.

Throughout its long campaign for a public realization of the dangers of our present governmental spending policies, The Financial Post has had ample evidence that business men individually are distinctly worried about the state of the national finances. But their collective pressure upon our governments will aid in bringing about the most rigorous measures of economy without further delay.

TOTAL 1932 TRADE DOWN 24 PER CENT GOVERNOR STATES

Throne Speech at Opening Newfoundland House Reviews Year

Important amendments to the Salt Codfish Act, re-establishment of separate fisheries and agriculture departments, and ratification of a contract to exchange Newfoundland pitprops for Welsh coal were forecast in the Speech from the Throne delivered by Governor Sir David Murray Anderson at the opening of the Newfoundland legislature on April 11.

While the speech expressed regret because of lower industrial production and lower value of returns to the fishermen and newsprint workers during the year, it noted a somewhat brighter outlook as a result of larger catches of the Newfoundland sealing fleet this spring and also gold discoveries in Labrador.

Trade Figures

Imports had totalled $18,135,000, exports $26,869,000, indicating a favorable trade balance. Total trade was valued at $44,824,000, compared with $58,798,000 in the previous fiscal year.

Amendments to the Salt Codfish Act, mentioned in the speech, are expected to conform with resolutions recently passed by a gathering of Newfoundland exporters, who decided that inspection and grading of fish was necessary to hold their foreign markets.

Barter Scheme

The barter scheme to be ratified is already working satisfactorily. A contract having been signed with a Welsh mining company, the Government let subcontracts to operators who have employed men in the woods all winter cutting pitprops for use in the Welsh mines. Delivery of the pitprops is expected to be commenced in May, and in exchange the Government will receive coal for the railways.

Cutting of pitprops gave employment to a large number of men and kept money in the country which otherwise would have been sent out for coal. The coal will be available at lower cost, because of a freight rate reduced by giving steamers cargoes both ways across the Atlantic.

Budget Withheld

Reference was made to the Royal Commission now investigating the future possibilities of the island Dominion and it was stated the budget for the fiscal year would not be submitted to the legislature until the report of the commission had been received and considered.

The session opened today is the first since the United Newfoundland Party ousted the Squires Government in June of last year. Prime Minister F. C. Alderdice has 23 supporters, while there are only two Opposition members and one Independent.

Newfoundland Notes

Seal Fishery — With Saturday, April 10 an outstanding day in the annual seal fishery, total recorded catch is now placed at 125,000 seals. The "Imogene" was reported with 40,000 seals on board—one of the biggest catches in years. "Ungava" has 30,000 and "Eagle" 25,000.

Airmail stamps for amounts of 10, 30, 50, 60 and 75 cents will be issued in a new series by the Newfoundland Government, the set to sell to collectors at $1.80. The first issue of regular airmail stamps issued by the country was made in 1931 and the coming set replaces this one and marks a reduction in airmail charges. It is hoped to have the issue on the market on May 1 in order to be available for the airmail service which will be carried to the Labrador mining camps.

Sydney, N.S. and Newfoundland will be linked closer together when a new airplane service by Service Airways, Ltd., goes into effect. With Sydney as a base, the company will operate passenger services to Halifax, Newfoundland and St. Pierre-Miquelon.

Wheat Clearance from Saint John

Wheat clearances from Saint John during the crop year 1931-1932 totalled 2,017,008 bushels whereas this year up to March 24 there had been cleared 6,335,371 bushels, or over three times last year's total. The clearances from Halifax during 1931-1932 amounted to 77,111 bushels while this year up to March 24 the amount was 1,080,552 bushels, or 14 times the quantity.

Economic History Repeats Itself

Wisdom and Fallacy Down the Ages

* * * *

WHAT WAR DOES TO TRADE, 1817-1818

"The effect of all wars is to lead capital into new channels, and so to throw the industrial conditions of a country into confusion. The Napoleonic wars had given rise to an unnatural prosperity, and their conclusion, which caused a sudden interruption of that prosperity, was bound to create temporary distress, especially in a community so complicated as England. It was impossible that the recovery would be so rapid as in the case of former wars; firstly, from the longer duration of the Napoleonic wars; secondly, from their enormous expense; and lastly, from their having affected a much larger part of the population and capital of the country than previous wars. The home trade, the substantial groundwork of national industry, was said to be at a standstill. Shops were everywhere empty and tradesmen's books covered with debts on which not one per cent could be collected."

"Commerce and Industry," by William Page, from chapter devoted to 1817-1818.

* * * *

THEOGNIS GIVES SOME ADVICE

"In hard fortunes be not at all excessively disgusted at heart, nor rejoice in prosperity; for 'tis a noble man's course to bear all things."

—Maxims of Theognis (570?—490 B.C.)

* * * *

89 YEARS AGO

"The advancement in the arts from year to year taxes our credulity, and seems to presage the arrival of that period when human improvement must end."

—Extract from report by Henry L. Ellsworth, U. S. Commissioner of Patents, written in 1844.

* * * *

The quotation from the report of the U. S. Commissioner of Patents is supplied by Maj. H. G. L. Strange, of Winnipeg.

Set Up New Bond House

V. E. KERRIGAN — LT.-COL. W. S. M. MacTIER

Partners in the newly formed investment banking firm of Kerrigan, MacTier & Co., Montreal.

Farm Machinery Sales Await Higher Crop Income

Replacement Need Growing But Purchasing Power Still Lacking — Seasonal Stimulation Reported — Melting of Frozen Debts is First Need

Although normally farmers in Canada would be finding it necessary this year to make large replacements in farm machinery and other equipment and to repair and bring up-to-date the implements they now possess, the continued low level of purchasing power operates to prevent any but the most pressing purchases. Approach of spring has indeed given a seasonal fillip to sales of farm equipment but it is nothing to the potential demand which would be awakened by a recovery in prices of agricultural products.

On the part of companies like Massey-Harris Co. and Cockshutt Plow Co. large frozen debts on their books stand in the way of sales to any but farmers whose credit is indisputable even in times like this. Every encouragement is being given to such farmers by offering good terms on new purchases but the season opens with the farm implement business still over-shadowed by the large wheat and other surpluses which enable buyers to keep farm prices low.

United States Also Down

The situation is exactly the same in the United States as it affects the large manufacturers there. Unusually large number of repossessions in 1932 of power machinery (which three years ago was in such demand that it constituted the most promising part of the business) has led to half-hearted sales efforts in that department. The one matter of encouragement in the United States as in Canada in 1932 was that reduction in sales volume was less than it had been in 1931. Output in the United States had dropped 16 per cent in 1930, 58.5 per cent in 1931 and 47 per cent in 1932. What Massey-Harris subsidiaries in the United States have had to contend with is evident because the whole industry sold less than for more than a decade.

This drop in sales of farm implements is closely associated with the fact that both in Canada and the United States farm income suffered a smaller shrinkage in 1932 than in 1931. The following table shows the figures for both Canada and the United States, United States figures being taken from reports of the United States Bureau of Agricultural Economics and Canadian figures from the Dominion Bureau of Statistics and The Financial Post Business Year Book:

Gross Farm Income Declines

	United States	Canada*
1929	$11,950,000,000	$1,729,821,000
1930	9,403,000,000	1,346,364,000
1931	6,955,000,000	945,000,000
1932	5,240,000,000	†862,076,000

†Estimate given in The Financial Post Business Year Book.

*Estimates include amount of $98,740,000 paid patrons of dairy factories in 1929; $84,317,000 paid in 1930; $64,759,000 paid in 1931, and $56,369,000 paid in 1932. Wheat and other field crops account for about half of remaining income in 1931, dropping from two-thirds in 1928.

Farm taxes all over this continent have increased on the average two and a half times and are estimated to be taking nearly half of the present income available after paying necessary expenses. The mortgage burden in the United States is $8,500,000,000 although 58 per cent of farms are free of mortgage; in Canada nearly 63 per cent of farms are free of mortgage although the total reported at the end of 1931 was $677,564,100.

In Canada there is one automobile to every second farm, one motor truck to every 14 farms, one tractor to every seven farms, one gasoline engine to every 80 farms, one header to every 160 farms, one threshing machine to every ten farms, one cream separator on four out of seven farms, one milking machine to every 110 farms, one silo to every 14 farms and one electric motor. One farmer in ten illuminates his house with electric light or gas, one out of six has a radio and one out of three a telephone.

Big Field for Future

There is here quite a field for replacement of machinery and equipment used on Canada's 728,664 farms and a still greater field in a time of higher values for farm products to push sales. Higher prices would increase sales in 1933 and the oscillations in markets have given some hope in that it indicates the low levels are subject to less pressure because of visible surpluses; but farm machinery companies will not start operations based on recovery until the recovery is well under way. In Canada inventories are still high enough to deal with a sharp increase in demand.

ALBERTA TO SOW FOR HEAVY CROP OF SUGAR BEETS

To Seed 14,000 Acres; Raymond Factory Increasing Storage

From Our Own Correspondent

LETHBRIDGE. — With farmers in the irrigated areas of southern Alberta preparing to launch into spring work activity in the sugar beet industry is well to the fore. Another maximum crop will be seeded, upward of 14,000 acres, and Canadian Sugar Companies, Ltd., beet sugar subsidiary of the B. C. Sugar Refining Co., of Vancouver, is preparing to handle the production from that area.

Another $50,000 will be spent in improvements at the Raymond factory, the largest item being the erection of giant concrete elevators or bins for the storage of refined sugar. The increased production of beet sugar for the last two seasons has resulted in heavy shipments of sugar to be stored in the various consuming centres of Alberta and Saskatchewan. The expense of this storage has been considerable and the purpose of the new programme is to reduce the cost of placing sugar in the hands of the consumer.

Unique Type of Storage

The new storage will be unique in type so far as Canada is concerned. In fact, as far as known, there is only one other sugar plant in the world using this type of storage. The installation will take the form of bulk storage bins not unlike terminal elevator bins. There will be four of these immense concrete structures 30 feet in diameter with a total overall height of 125 feet. The bins will rise higher than the factory itself. They will be insulated against frost and moisture with special lining which will also be odorless and sanitary. During the next sugar-making campaign it is expected that one-third of the factory output will be moved by conveyors to the new storage elevators without sacking the product. As required, the bulk sugar will be sacked for shipment. Now all the sugar manufactured is sacked and either shipped at once or stored in the warehouse.

More than 2,000 barrels of cement will be used and 200,000 pounds of reinforced steel, also 2,000 yards of sand and gravel.

Budget Disappointed

Marked disappointment among the farmers was registered with the budget as they had been led to believe the government intended to provide a drawback for Canadian beet sugar of one cent a pound as an inducement to expansion of the industry. In a statement just prior to the announcement of the budget, Brig.-General J. S. Stewart, M.P., Conservative for this riding, in effect said that this was to be in the budget. But no mention of it was made when the new measures were made public in the house. Such a drawback, it is maintained, would have resulted in the establishment of at least one more beet sugar factory in the Lethbridge district. Growers still hope the government will do something for them by order-in-council, but there is seemingly nothing certain about this.

ST. LAWRENCE PAPER UNITS SHOW LOSSES

Investments and Inventories Are Written Down

LIQUIDITY IMPROVES

St. Lawrence Corp. Report Does Not Include Consolidated Balance Sheet

From Our Own Correspondent

MONTREAL.—Lowering of bank loans, heavy write-offs on inventories and investments, an improvement in liquid position and losses on last year's manufacturing operations, are features of the financial statement of the St. Lawrence Corp. group of companies, namely, St. Lawrence Paper Mills, Brompton Pulp and Paper, and Lake St. John Power and Paper.

In other years St. Lawrence Corp. has published a consolidated balance sheet by which it was possible to analyze the operations and financial positions of the companies as a group. The report of St. Lawrence Corp. for 1932, which does not contain detailed information, is of little value to the shareholders.

Cost of Administration

The administration costs of the St. Lawrence Corp. for 1932 totalled $219,101. Comparative figures for 1931 are not available. As regards administration charges for last year, the three companies were assessed as follows: St. Lawrence Paper Mills, $86,890; Brompton Pulp and Paper, $67,045; and Lake St. John Power and Paper, $65,165.

Lower Paper Output

The 1931 statement of St. Lawrence Corp. gave detailed statistics as regards production of the various constituent units. Such detailed information is not available for 1932, Ernest Rossiter, president, stating that production decreased approximately 40,000 tons. This would indicate an output of around 120,000 tons as compared with 159,734 tons in 1931.

St. Lawrence Paper Mills

In covering the income and financial position of the constituent companies, the report shows that St. Lawrence Paper Mills Co. had an operating loss for 1932 of $286,670. This compared with a profit of $427,452 in 1931. The management has taken the opportunity of making several important adjustments in the balance sheet position through the writing down of investments and inventories, as well as setting up a contingent reserve of $300,000. The effect of this action is to be seen in the following comparative income accounts for 1932 and 1931:

	1932 $	1931 $
Oper. profit	*286,670	427,452
Deprec. & deplet.	161,338	393,550
Balance	*448,008	33,902
Dividend	......	106,875
Balance	*448,008	*72,973
Inv. write-off	125,178	......
Invent. write-off	846,075	......
To. cont. res.	300,000	......
Balance	*1,719,261	*72,973
Prev. surp.	‡236,428	169,122
Balance	*1,482,833	96,149
Adjustment	......	†5,394
P. & L. bal.	*1,482,833	101,543

*Operating loss. *Deficit.

‡After crediting $134,884 amount previously included in accounts payable for contingent liabilities now transferred to surplus.

†Adjust of surplus applicable to prior period of $30,419, less $25,025 appropriated to contingencies reserve.

WORKING CAPITAL POSITION

	1932 $	1931 $
Current assets	1,452,349	4,000,632
Current liabs.	376,451	1,750,026
Working capital	1,075,898	2,250,606

Cut Down Overdraft

The lowered working capital position is due to factors, namely, reduction of bank overdraft from $1,108,000 to $229,972, and the writing down of inventories to $1,012,287.

Assets of St. Lawrence Corp. at the end of 1932 totalled $30,273,299 as compared with $31,825,670 at the close of the previous year. Fixed assets show a slight increase at $25,499,849. Investments in subsidiaries remain about the same at $2,286,342. "Other investments and advances" have been written down from $101,208, to $5.

The only change of interest among liabilities, aside from the decline in the bank overdraft, is the changing of the profit and loss account surplus from $640,134 to a deficit of $944,245.

Better Liquid Position

The remarks applying to St. Lawrence Paper Mills' working capital position apply equally well to Brompton. A bank overdraft of $162,456 shown in the 1931 statement has been eliminated. The liquid position shows a marked improvement. Cash on hand has increased from $42,837 to $104,312. Accounts and bills receivable have been cut over 50 per cent to $497,041. Inventories have been reduced to $910,523, while a new item appears in the 1932 balance sheet, namely, call loans of $401,104. Investments are shown at cost of $212,220 compared with an approximate market value of $170,000.

Fixed assets of Brompton increased during the year by about $140,000 to $18,305,954. Investments in associated companies have been written down $301,337 to $6. A profit and loss account surplus of $1,328,900 has been changed into a deficit of $459,775.

Among liabilities, funded debt has been reduced from $681,500 to $575,500. Capital surplus at $358,650 remains unchanged. Deferred accounts payable, a new item, amounts to $50,899.

Lake St. John Power

Lake St. John Power and Paper Co. was the only unit in the St. Lawrence Corp. group to show an operating profit for 1932, providing for a depreciation, write-down of pulpwood inventories, bond and debenture interest and other charges,

(Continued on page 19)

NEWS FROM

Canada's Capitals

A week-by-week summary from Ottawa and the provincial capitals of legislative developments of interest to business.

Dominion Parliament

OTTAWA.—Highlights of the week in Dominion Parliament were:

April 12.—Duff Railway legislation further considered in committee.

Special committee on National railways: Bill providing for deficit, capital and refunding obligations of National railway considered and passed.

Senate: Bill respecting Quebec, Montreal and Terminal Railway Company passed. Criminal Code amendment, restricting the use of fire arms, passed. Penitentiary Act amendment passed. Legislation amending the Royal Canadian Mounted Police Act given second reading. Senator J. A. Calder, acting government leader, announces that the Canada Shipping Bill will probably be dropped this year. Senate adjourned until April 25.

April 13—Estimates for the Board of Grain Commissioners are discussed but not approved. The Government avoids giving detailed information with regard to the wheat market operations carried out by John I. McFarland since January, 1931. Commons adjourns until April 18.

April 18—In answer to a question Premier Bennett announced that he would go, alone, to Washington, unaccompanied by advisers or experts. The Duff railway legislation was further considered.

Ontario

TORONTO, April 12 — Redistribution of provincial ridings approved. Amendment to Power Commission Act which would allow amalgamation of some northern units with main group received second reading.

April 18 — House officially prorogued.

Manitoba

WINNIPEG, April 10 — Reduced grant of $250,000 to Manitoba University passed.

April 13—Wage tax measure introduced. Bill eliminating farmers' exemption from gasoline tax given first reading. Correspondence between Manitoba and Dominion Governments on financing tabled. Resolution proposed formation of committee to consider unemployment but debate on measure adjourned.

Alberta

EDMONTON, March 31 — Amendment to fuel oil tax allowing five cent instead of four cent drawback received royal assent. Bill to amend public utilities act giving broader powers to utilities met with opposition. Budget for $20,112,289 is passed.

April 3—Bill to suspend penalties for non-payment of income tax on March 31 debated.

April 4—Resolution adopted urging the Dominion government to bonus freight rates to the Peace River district. Bill defeated which would have allowed Edmonton, Calgary and Lethbridge an additional beer license. Premier Brownlee announced that expert advice on the Alberta coal industry would be sought.

April 5—Outlay on direct relief and relief works in past fiscal year amounted to $3,243,610, it was announced. Debt adjustment act allowing right of appeal to supreme court debated.

April 6—Motion to investigate unemployment conditions in Edmonton, Calgary, Lethbridge, Medicine Hat and Drumheller adopted. Committee investigating alleged fraud in highway contracts decides that no fraud has been proven.

April 7—House unanimously adopts resolution calling on Dominion Government to bring about reduction of interest on all public and private debts.

April 10—Legislature adopted report on highway probe. Move to force horse-drawn vehicles to carry lights defeated.

April 11 — Legislature prorogued after putting 67 new acts on the statute books and leaving central bank proposal in the air.

British Columbia

VICTORIA, March 30 — Lack of confidence motion introduced by Liberals—defeated. Union government definitely out.

April 3—Quick progress made with a number of bills, a large group getting third reading. None of outstanding importance.

April 4—Amendment to Mortgage Moratorium bill proposed; would place decision on debtors' ability to pay up to courts. Mortgage bill before the house provides for postponement of principal only. Resolution calling on Dominion government to work for stabilization of silver at the World Economic conference passed unanimously.

April 6 — Proposed amendment to Moratorium Bill covering interest as well as principal defeated.

April 7—Bill authorizing building of bridge at Ladner passed with restrictions regarding the amount government will have to pay. Restrictions may result in project being dropped, it is stated. House is prorogued.

Adviser of Statesmen Counsels Middle Course

Sir Arthur Salter Suggests State-controlled, Capitalist Economy — His Reputation Has Survived the Economic Tailspin — Is Visitor to Canada

Sir Arthur Salter, one of the keenest analytical economists of the present day, and adviser to many of the leading world statesmen of the post-war era, preaches an economic doctrine of international accord and a state-controlled, capitalist economy. He is an expert at exploding economic fallacies and swings neither to the extreme right nor the extreme left.

"He is the one economist whose reputation has survived the economic tailspin of our years," says Vanity Fair. Perhaps this is too broad a statement, but Sir Arthur will certainly command great respect during his present visit to Canada, especially from those who heard his address at McGill University on Tuesday. Thousands of Canadians who could not reach the scene of the lecture, and who could not have gained admission if they had reached it, heard him through their radios. The same opportunity will be presented on April 24 when he addresses the Canadian Club at Toronto.

Not Academic Economist

Sir Arthur himself states he "has not the academic qualifications of an economist and has had no direct experience in business enterprise." But he has been an official for more than 25 years, and in the last fifteen years has spent most of his time as an international official. He acknowledges that his wide knowledge of economic and political affairs is due to the contacts he has had with world authorities through his work with the Supreme Economic Council, the Reparation Commission, "pleasure resort" conferences from Spa to Genoa and the League of Nations. He is one of the world's great publicists.

Sir Arthur might, at present, be numbered among the at least partially unemployed, if such a term can be respectfully used of a man who has contributed one of the clearest pictures of the present world chaos in his recent book, "Recovery." He does not hold a position as an international official at the moment, although he served as chairman of the Royal Commission on road and rail transport in Great Britain last year. He recently performed a valuable service to mankind in exploding "technocracy" through an article in an American magazine.

Enunciation Pleasant

If Sir Arthur's manner of speech is a genuine example of the much maligned "Oxford accent," it has been wrong to cast aspersions on this form of speech. His enunciation is pleasing to the ear. If he has an "Oxford accent," he comes by it more honestly than most. He was born there. That was in 1881, so that he is now 52 years old. And he was educated at Oxford High School and Brasenose College of the famous university at the same town. Many would be inclined to dispute his statement that he has not the academic qualifications of an economist on the grounds of his education and training. No one would dispute that he is an economist, and one of the first rank.

Sir Arthur became an official through entering the Admiralty in 1904. His training in this department of the British Government threw him into contact with shipping. As a result, he became assistant director of transports for the Admiralty in 1915. He was made director of ship requisitioning in 1917. To cap all this, he became secretary of the Allied Maritime Council and chairman of the Allied Maritime Transport Executive in 1918. He was sent on a special shipping mission to the United States in the same year.

War-time Co-operation

The smooth working of the tremendous shipping organization of the allied nations during the war led him to write a book about it, "Allied Shipping Control; an Experiment in International Administration." Perhaps this work was the prelude to his present doctrine of national and international economic planning and control. He saw an international, co-operative shipping system operate successfully in time of necessity, and foresees use of a similar international co-operative economy in the future. It is certain that handling of the world's goods on an enormous scale during the war gave him an economic background such as few men possess. In brief, it made him an economist, and a practical one.

After the war Sir Arthur became more and more important as an international official. He was British secretary of the Supreme Economic Council, general secretary of the Reparation Commission, and director of the economic and financial section of the League of Nations.

Problem is Consumption

The one great economic problem of the world, Sir Arthur says, is to regulate distribution and consumption of our increasing productive capacity. We can make the goods. We should also be able to consume them. "We are, if we could but grapple with our fate, the most fortunate of the generations of men. In a single life time science had given us more power over Nature and extended further the range of vision of the exploring mind, than in all recorded history," he says in "Recovery."

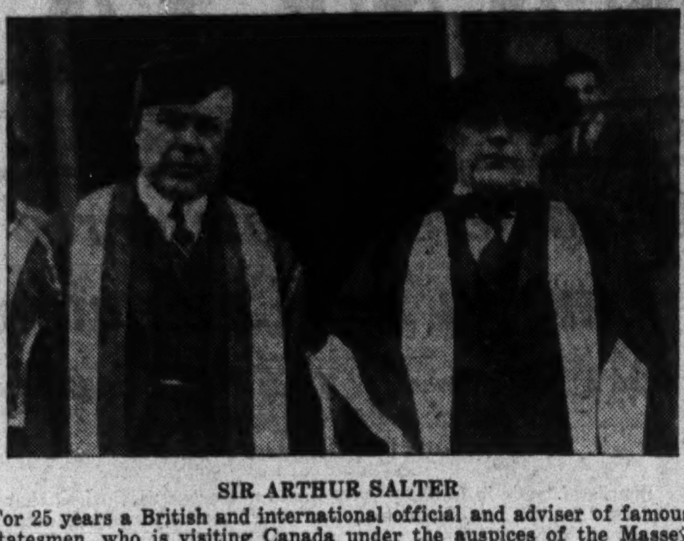
Regulation of our system is what we need to allow us to reap the benefits of our age, in Sir Arthur's opinion. "We need but the regulative wisdom to control our specialized activities and the thrusting energy of sectional and selfish interests. To face the troubles that beset us, this apprehensive and defensive world needs now, above all, the qualities which it seems for the moment to have abandoned—courage and magnanimity."

Silverwood's Pays Bank Loans Adds to Surplus

As the result of rigid economies and the dropping of the preferred dividend from a 7 per cent to a four per cent basis Silverwood's Dairies, Ltd., closed its year on April 1 with a small addition to surplus. The annual report, when it is issued in the course of a few weeks, will show the company virtually free of bank loans and the only current liabilities, according to a statement sent to shareholders by the president, A. E. Silverwood, are the normal outstanding accounts.

Mortgage and other obligations have been reduced. Part of the economies put into effect by the company, in addition to the cut in preferred dividends, include two general reductions during the year in salaries and wages.

Sponsor of Planned Capitalism on Visit



SIR ARTHUR SALTER

For 25 years a British and international official and adviser of famous statesmen, who is visiting Canada under the auspices of the Massey Foundation. He is shown with Chancellor E. W. Beatty of McGill, at whose hands he received an honorary degree.

C. WESTINGHOUSE NET EARNINGS DROP IN DEPRESSED YEAR

Fell Short $373,669 of Paying $2 Dividend on 540,000 Shares

Canadian Westinghouse Company net earnings for 1932, including royalties and investments, amounted to $1,021,331 as compared with $2,484,740 in 1931. After depreciation, federal taxes and pension fund provisions the profit was $706,331 and this meant a deficit of $373,669 on the year's operations after paying dividends of $1,080,000.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1932	1931
	$	$
Net earnings*	1,021,330	2,484,740
Less: Depreciation	205,000	397,000
Federal taxes	60,000	195,000
Pension fund	50,000	50,000
Net profit	706,330	1,842,740
Less appropriations:		
Dividends	1,080,000	1,620,000
Surplus for year	†373,670	222,740
Add: Prev. surplus	7,953,437	7,792,417
Less: Addit. inc. tax	25,144	61,720
Bal. carried forward	7,554,623	7,953,437

*Including royalties and investments.
†Deficit.

Household Business Bulked Large

The report to shareholders, signed by H. H. Westinghouse, chairman, and Paul J. Myler, president, stated that the business of the year did not depend solely on sales made in 1932. Some orders for large generating and distributing apparatus taken in 1930 and 1931 were completed and shipped in 1932. Industrial orders in 1932 were but a minor part of the orders booked, with smaller devices for household use, including lamps, forming the major portion of sales. Sales of refrigerators also helped largely in actual business originating in 1932.

Sales of large power producing apparatus and of motors and other devices for industrial utilization of power were practically at a standstill. Some encouragement is drawn from the fact, however, that the total consumption of electricity in Canada is on the increase, notwithstanding the comparatively light industrial load. This increase is due to the greatly extended use of electricity in the domestic field. The company is in active co-operation with the central station plants throughout the Dominion, with a view to building up this load to a greater extent.

Adopted Five-Day Week

Despite economies made necessary by reduced business volume the records of the company show a reduction of only 21 per cent in the working forces and general staff. Direction of important engineering activities toward the improvement of design and manufacture of standard and special lines was a feature of the year. Factory operations were limited to a five-day week maximum throughout the year and in many cases employees were only engaged two and three days per week. It was desired to spread employment among workmen as much as possible.

No brake equipment was sold during 1932 because railways were not in the market and that department confined its efforts to the supply of necessary maintenance and repair parts.

The company has a remarkably strong financial structure and ratio of current assets to current liabilities improved during the year. Both current assets and current liabilities were lower as shown by the following table:

Working Capital

	1932	1931
	$	$
Current assets	12,930,348	13,729,436
Current liabilities	1,426,816	1,599,012
Working capital	12,589,361	12,130,424
Ratio	9.82—1	8.59—1

Awaiting Advance

In current assets cash was down from $2,618,502 to $2,226,918, and receivables dropped from $1,766,155 to $1,134,476. Inventories were lower, dropping from $3,406,763 to $3,073,102. Holdings of government bonds and investments increased from $7,319,714 to $7,581,681.

Current accounts payable in current liabilities were reduced from $986,406 to $666,122. Bills payable increased from $272,988 to $568,470. Provision for federal taxes dropped from $195,000 to $60,000 and contracts in progress from $144,618 to $132,224. Advances payable on contracts are down from $1,381,698 to $1,085,829.

Despite the declining revenue of the last three years, the company's balance sheet shows it to be in excellent position to take advantage of any recovery in activity of business.

GOULDS PUMPS HAD LARGER LOSS IN INACTIVE YEAR

Finished Year With Working Capital Well Maintained

Total net loss of Goulds Pumps, Seneca Falls, N.Y., for 1932, after bond interest and taxes was $395,614 as compared with $467,209 for 1931.

Consolidated Income and Surplus Account
Years Ended Dec. 31

	1932	1931
	$	$
Gross earnings	198,430	†108,166
Less: Oper. expenses	531,759	230,320
Net earnings	†333,329	†338,494
Add: Other income	11,535	32,083
Total net income	†321,794	†306,411
Less: Bond int. & txs.	73,820	49,352
Miscellaneous	......	111,446
Net profit	†395,614	†467,209
Less appropriations:		
Preferred dividends	......	52,325
Common dividends	......	22,425
Surplus for year	†395,614	†541,959
Add: Prev. surplus	710,524	1,252,483
Less: Adjustments	12,442	......
Balance carried for'd	302,468	710,524

†Loss or deficit.

Working Capital

	1932	1931
Current assets	1,057,227	1,475,464
Current liabilities	76,901	98,346
Working capital	980,326	1,377,118
Ratio	13.75—1	15.00—1

Working capital was still strong as shown by the table accompanying this article though cash dropped from $263,769 to $137,324 and receivables from $319,918 to $231,022 and inventories from $865,683 to $664,523.

On the liabilities side accounts payable dropped from $83,765 to $75,401. The company sustained the loss of three directors during the year, Wm. D. Pomeroy, Kenneth Molson and Seabury S. Gould.

Net sales were down 32.82 per cent. Hourly or piece rates for productive workers of the plant were not decreased as plants were operated on a restricted basis.

HILLCREST COAL PROFITS DOUBLE FOR PAST YEAR

Changes Effected Bring About Improved Working Capital

From Our Own Correspondent

MONTREAL—Net earnings more than double those of the previous year are reported shown in the 1932 financial statement of Hillcrest Collieries Ltd. The balance sheet also shows an improvement with the elimination of bank loans of $40,000 and an increase in working capital from $17,093 to $79,296.

The improvement in the company's finances is attributed in part to the fact that no dividends on capital were paid last year. At the same time the management have taken steps to consolidate operations and in that way bring about a substantial reduction in operating expenses which has offset the decline in demand for coal.

Carry Forward Surplus

Following are particulars of the income account over the past three years:

	1932	1931	1930
	$	$	$
Net profit	51,720	10,824	65,867
Misc. rev.	13,329	19,353	29,951
Total net	65,050	30,177	95,818
Bond int.	16,250	16,250	16,250
Balance	48,800	13,927	79,568
Pfd. divid.	......	12,349	49,399
Balance	48,800	1,578	30,169
Com. divid.	......	......	30,000
Surplus	48,800	1,578	169
Prev. surplus	212,155	210,577	210,406
P. & L. bal.	260,955	212,155	210,575

Working Capital Position

	1932	1931	1930
	$	$	$
Curr. assets	110,756	82,367	217,132
Curr. liabs.	31,487	65,274	208,072
Work. capital	79,269	17,093	9,061

Reduce Current Liabilities

The balance sheet at the end of last year revealed assets of a book value of $2,633,215 as against $2,618,202 at close of 1931. There has been no change in the funded debt or in the amount of capital stock outstanding. Reserves are unaltered, while current liabilities have been reduced by more than 50 per cent.

Among the company's assets property account shows a decline of about $17,000 to $1,631,555.

BREWERS & DIST. IMPROVE PROFIT VOLUME IS DOWN

Earnings Lower Than in 1931 But Working Capital Up

Brewers & Distillers of Vancouver Ltd. had a net profit of $86,853 in 1932, equal to 1.4 cents per share of stock outstanding, as compared with net loss of $69,059 in 1931. This improvement is shown in spite of a substantial drop in net earnings and is largely due reduction in income taxes and that there was no write-down of inventories in 1932 whereas in 1931 cost of spirits was written down by $323,314 to market value. The margin of profit on both beer and spirits was less during 1932 and volume of consumption was lower. Sales in the export market were not pushed.

The income and surplus account for the past two years is shown below. It is to be noted that net earnings shown in 1931 were after deduction of unstated depreciation while net earnings in 1932 are shown before depreciation reserve of $146,239.

CONS. INCOME AND SURPLUS ACCT.
Years Ended Dec. 31

	1932	1931
	$	$
Net earnings	303,190	*466,111
Less:		
Bank interest	20,292	40,191
Income tax	47,523	135,155
Depreciation	146,239	......
Organ. exp. w.o.	2,283	36,510
Spirits w/d to mkt. val.	......	323,314
Net profit	86,853	‡69,059
Add: Prev. surplus	2,475,694	2,544,753
Less: Adj. prior periods	— 79,439	......
Bal. carried forward	2,483,108	2,475,694

*After depreciation. ‡Loss.

Working Capital

	1932	1931
	$	$
Current assets	4,049,956	4,116,894
Current liabilities	287,337	757,481
Working capital	3,762,619	3,659,413
Ratio	14.09—1	5.83—1

Capital assets are carried at $3,162,327 after reserve for depreciation. Amounts held back by Dominion Government in respect of sales tax in dispute are shown at $48,242. Investments at cost amount to $24,888 and deferred charges, $18,312. There are outstanding 6,089,840 shares of no par value stock of which 312,362 shares are held by subsidiaries.

HEATING PROD'S. LOSS INCREASED FOR PAST PERIOD

Current Liabilities Now Exceed Current Assets

From Our Own Correspondent

MONTREAL.—Operating loss of Enamel and Heating Products, Maritime manufacturer, amounted to $49,829 in 1932 compared with a loss of $41,429 in the previous year. After depreciation and sundry charges and a credit of $5,279 total loss for the year was $89,419 against a loss of $96,789 in the previous year. Deficit at profit and loss has now been increased to $182,253. Balance sheet shows current liabilities in excess of current assets.

Following is a comparison of profit and loss for the past two years:

	1932	1931
	$	$
Oper. loss	49,829	41,429
Depreciation	15,000	15,000
Net loss	64,829	56,429
Dividends	......	7,375
Balance	*64,829	*63,804
Sundry chgs.	*23,869	‡32,985
Balance	*88,698	*96,789
Credit	†5,279	......
Balance	*83,419	*96,789
Prev. def.	98,834	2,045
Def. car. for.	182,253	98,834

*Deficit. *Including $20,000 special reserve subsidiary companies and $3,869 insurance premium re sinking fund. ‡Bond issue expense of $14,403 and adjustment of inventories to current replace values $18,581. †Special income applicable to prior years.

Working Capital Position

	1932	1931
	$	$
Current assets	348,253	400,661
Current liabs.	401,721	387,918
Working capital	†53,468	12,743

†Excess of current liabilities over current assets.

Cash totals $154 and accounts receivable are lower by $17,000 at $39,994. Inventories have been reduced by $38,000 to $290,685 and investments are lower by $14,000 at 66,104. A sum of $22,419 is due by subsidiaries, an increase of $1,000 over the previous year.

In liabilities bank loans aggregate $367,250 an increase of $23,000. These loans are secured by $400,000 of 6 per cent first mortgage bonds of an authorized issue of $500,000. Bills payable are slightly lower at $30,625 and a mortgage payable has been reduced by $300 to $5,750. Reserves are higher by $19,000 at $99,929. Capital and surplus now totals $845,975 compared with $929,295 shown in the previous report.

GLOOMY WHEAT FACTS WILL FACE LEADERS AT COMING PARLEY

(Continued from page 1)

ceptionally large crop, the largest so far obtained. This growth it is pointed out has been obtained exclusively as a result of improved unit-yields, areas cultivated having remained almost the same as in 1931. This fact plus good crops of other grains together with the general economic situation and the obstacles of all sorts to international exchange, indicates that import requirements of Europe for the 1932-33 season will be but 440 million bushels—the lowest on record for this territory, except for the war years. The corresponding figure for last year was 611 million bushels which represents average requirements for the 5-year period 1927-31.

Extra-European countries will take about 190 million bushels it is thought as compared with imports of between 160 and 200 million bushels in recent years. Though shipments to China up till now have been large and have absorbed a considerable portion of the Chinese crop, those to other countries in this grouping have been reduced. In the first six months of the year extra-European countries have taken only 90 million bushels as compared with 120 million bushels in the same period last year.

Summing up, comparison between quantities of wheat exportable on the one hand and import needs on the other, shows that exportable stocks will undergo a very appreciable increase. On Aug. 1, these stocks were estimated by the institute at 565 million bushels and on Aug. 1, 1933 it is expected these will have risen to 650 million bushels. "The burden of these appreciably exceeds world import requirements for the whole of the season."

"It can only be hoped," continues the review, "that in a short time the general world economic situation will improve and international commerce recover its normal course so that the very heavy burdens of stocks that depresses so severely the world wheat market may be reduced to normal dimensions."

Canadian Situation

As to the Canadian situation, the Dominion Bureau of Statistics, almost simultaneously with the publication of the Rome survey, issued its March estimate of the probable carry-over of wheat in Canada as at the end of the Canadian crop year, July 31, 1933. The bureau forecasts a carry-over in Canada (and exclusive of Canadian wheat in U. S. positions) of 156,000,000 bushels which would exceed by 25,000,000 bushels the corresponding figure of a year ago and would be 21,000,000 bushels greater than the all-time record established in 1931.

Such a carry-over presupposes a total export from Canada in the six-month period March-July inclusive, of 101,000,000 bushels or an average export each week of just under 3,900,000 bushels. This figure is lower than the average for the preceding 26 weeks of course but is considerably higher than current movement of wheat from Canada. If correct it will mean that Canada in the second half of the crop year will supply almost 30 per cent of the world requirements in that period on the basis of the recently revised Broomhall estimate.

Viewpoint Given

The viewpoint of those who are inclined to look with uneasiness on the current world wheat situation in spite of an improved demand and supply situation, and a viewpoint which will be strongly in the foreground during the discussions at Washington may be summed up in the opinion given The Financial Post recently by a leading Canadian grain expert, reference to which has already been made above.

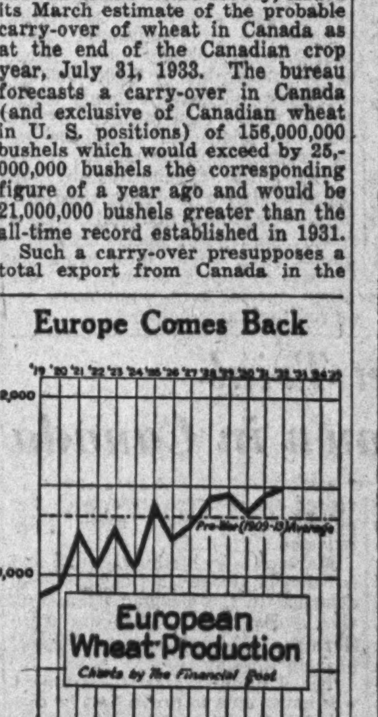
He says:

"According to press reports it would appear that some people believe the supply and demand situation is very greatly improved, and that the wheat situation is going to take care of itself without any conference on acreages.

"Now, while I do admit that there is some improvement in the world's situation as regards to the supply and demand, yet it must not be forgotten that there is plenty of wheat in the world to take care of all prospective demands, until our next harvest, and still leave a very substantial world's carryover; in fact, a greater carryover than can be considered healthy from a price standpoint. Furthermore, one thing which at present is influencing sentiment, is the very unfavorable outlook for the growing winter wheat crop in the United States.

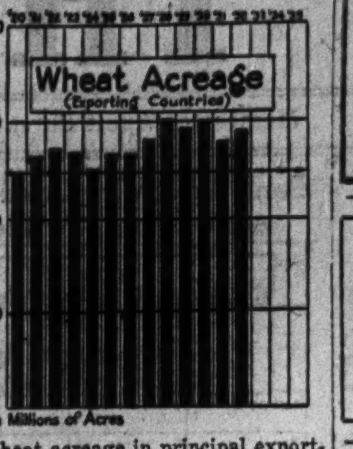
"Not a thing has happened and not a thing has been done by any country to reduce production by decreasing acreage, and while many think there will be substantial decreases in the seeded acreage throughout the spring wheat belt this spring, and while I would like to believe there will be substantial decreases, yet I am inclined to the view that the farmer, when it comes to planting time, will put in every acre he can, unless some programme of managed reduction of some sort is introduced to him."

Europe Comes Back



Europe this year is eating lots of wheat but it's mostly her own. The chart shows how production has slowly mounted to well over the pre-war acreage.

Wheat Acreage



Wheat acreage in principal exporting countries has risen 15 per cent since the war. It increased again in 1932 as shown above. The pre-war average was less than 95 million bushels.

N. B. Telephone Dividend Still Remains 5 Per Cent

The Financial Post is advised by the New Brunswick Telephone Co. that a Montreal dispatch is in error in stating that dividend for the last quarter had been reduced to 10.25 cents a share on the $5,285,880 of $10 par value stock outstanding. The dividend declared was the same as the previous one, that is, 12½ cents a share, and therefore is still at the rate of five per cent.

B. C. Will Cover Deficit by Borrowing $10,000,000

From Our Own Correspondent

VANCOUVER.—British Columbia is making arrangements for a loan of $10,000,000, but this does not involve new borrowing except for unemployment relief purposes, according to Hon. J. W. Jones, minister of finance.

The loan bill takes care of the ordinary deficit of $5,200,000 in the fiscal year ending March 31, 1932, and $1,800,000 for unemployment relief in that period, the remaining $3,000,000 being used this year to finance unemployment work. One half the money covered by the bill has been spent on unemployment relief.

NOTICES

Will anyone assist small hospital in temporarily impoverished prairie district, to survive this depression. One thousand dollars will cover another year's requirements. Particulars, references, Box 117, Financial Post, Toronto.

Englishman (35) with British and American experience in design and manufacture of new lines, has for disposal sole manufacturing and selling rights, under Canadian, United States and British Patents, of new Collapsible Steel Stairway, for which there is universal demand. Permanent position with manufacturing or selling organization essential. Write Box 115, The Financial Post, Toronto.

Debentures for Sale

Issued by the Municipality of the Township of Springer, District of Nipissing

Tenders will be received up to 10 A.M., May 1st, 1933, for $15,000.00 of a serial issue bearing 7% interest dated April 1st and fully approved by the Ontario Municipal Board. The township of Springer is assessed for $377,413.00 and has no other debenture debt.

All communications should be addressed to: H. W. Sylvestre, township clerk, Sturgeon Falls, Ont., from whom further information can be had.

DIVIDEND NOTICES

McIntyre Porcupine Mines, Limited

(No Personal Liability)

DIVIDEND NO. 58

Notice is hereby given that a dividend of five per cent. (5%) plus an extra dividend of two and one-half per cent (2½%), plus a bonus of two and one-half per cent (2½%), on the Company's Capital Stock, will be paid in New York funds on June 1, 1933, to shareholders of record at the close of business on May 1, 1933, free of any tax payable at the source under the Canadian Income War Tax Act.

By Order of the Board,
BALMER NEILLY,
Treasurer.

Dated at Toronto, April 13, 1933.

The Shawinigan Water and Power Company

Notice is hereby given that a dividend of twelve (.12c) cents per share has been declared on the no par value common shares of the Company for the quarter ended March 31st, payable May 15th, to shareholders of record April 21st, 1933.

By Order of the Board,
JAMES WILSON,
Secretary.

Montreal, April 13, 1933.

Montreal Tramways Company

DIVIDEND NOTICE

Notice is hereby given that a dividend of TWO DOLLARS AND TWENTY-FIVE CENTS ($2.25) per share, for the quarter ending March 31st, 1933, has been declared upon the paid-in Capital Stock of the Company, to Shareholders of record on Thursday, the 6th day of April, 1933, at 4 o'clock p.m. and payable on Saturday, the 15th day of April, 1933.

By order of the Board,
PATRICK DUBEE,
Secretary-Treasurer.

March 20th, 1933.

Fifty-Eighth Annual Statement

INDEPENDENT ORDER *of* FORESTERS

Policy Reserves	$42,766,375.12
Additional Reserves	1,725,980.00
Surplus	1,737,591.03

ASSETS AND LIABILITIES, DECEMBER 31, 1932

ASSETS

Real estate (Appraised Value)	$ 4,870,510.72	
Loans on Mortgages (Real Estate)	8,427,875.95	
Loans secured by Collateral	1,346,158.53	
Bonds at Canadian Insurance Department Value	25,231,840.93	
Stocks	548,432.00	
Accrued Interest, etc.	706,291.28	
Golden Jubilee Benevolent Fund	111,247.96	
Orphans' Home Endowment Fund	19,568.18	
Juvenile Fund	56,397.01	
Cash in Bank	541,562.79	
		$41,859,885.35
Policy Loans		7,102,434.21
		$48,962,319.56

LIABILITIES

Claims not Completed	$ 298,400.03	
Death, Disability and Sickness Claims Reported in 1933	303,077.04	
Accounts Payable, etc.	17,273.39	
Bank Loan	1,150,000.00	
Premiums paid in Advance	237,930.67	
Net Sickness Fund	166,303.63	
Net Juvenile Fund	20,380.51	
Golden Jubilee Benevolent Fund	111,247.96	
Orphans' Home Endowment Fund	19,568.18	
Special Reserve, Pension Grants	168,692.00	$ 2,492,873.41
Insurance Reserve		$42,766,375.12
		$45,259,248.53
Additional Protection for Policyholders		
Interest and Investment Reserves		$ 1,725,980.00
Special Reserve, Taxes, etc.		239,500.00
Surplus		1,737,591.03
		$48,962,319.56

Insurance Income, 1932	$5,626,764.62
Paid in Claims, 1932	4,902,341.95

Total Payments to Members and Their Beneficiaries Since Organization
$114,429,783.81

Insurance in Force $152,554,483.00

FRANK E. HAND, *Supreme Chief Ranger.* JOHN F. LANG, *Supreme Secretary* ALEX. STEWART, *Supreme Treasurer.*

Consulting Actuary—SIDNEY H. PIPE, F.A.S., A.I.A., F.A.I.A.

Life Insurance Week

LIFE INSURANCE POLICY

Life Insurance Builds Up Your Estate

LAST WILL and TESTAMENT

... a Will with a Trust Company Executor Conserves it.

THE buying of Life Insurance is one of the soundest means of building an estate.

THE ROYAL TRUST CO.
Executors and Trustees
59 Yonge Street - - - Toronto
ASSETS UNDER ADMINISTRATION EXCEED $626,000,000

The Week in Business

Easter Trade

EASTER trade hardly came up to expectations, according to reports from large centres across the Dominion, and even in the lines in which volume was fairly well maintained compared with a year ago, low prices left little profit for either the wholesaler or retailer. In Montreal and Toronto, women's clothing and millinery were fairly active and some improvement was evidenced in men's clothing but shoes and clothing accessories failed to show any appreciable gain. Wholesalers reported a general trend on the part of the trade to purchase in small lots with the result that, in a few lines, last minute rush orders to fill depleted shelves created a show of activity during the week preceding Easter.

Unseasonable weather in the Prairie Provinces mitigated against improvement in cities in this area although higher prices for wheat and livestock provided farmers with more cash than for some time past. Vancouver reported greater activity but outfitting of prospectors for work this summer in the Rockies and the possibilities of Fernie, B.C., losing its chief reason for existence—the coal mines—continue to dominate news from this section.

* * *

Autos in March

IN THE large cities throughout Canada, an extra large slice of the spring men's clothing business was taken by the large department stores by means of a series of sales of cheap made-to-measure suits and topcoats. These suits, selling as low as $16.50, were advertised as "made-to-measure, hand-sewn where hand-sewing counts" and there is no doubt that quite a fair proportion of the regular spring business of men's wear stores was deflected into these channels.

March proved an exceptionally good month in the automobile trade in Ontario, bettering the record of March, 1932, in sales of passenger cars, but the other eastern provinces failed to come up to the figures of the previous year. General Motors, Chrysler and Ford continue to dominate the field, the last-named having the best month for some time, sales of this car in the four eastern provinces being ahead of March, 1932.

* * *

Car Loadings

CAR loadings in both the eastern and western divisions in the week ended April 8 were lighter than in the previous week and well behind the totals recorded in the corresponding week of 1932. The western division was particularly weak, declines of 840 cars in grain loadings, 215 cars in forest products and 187 cars in coal reduced the weekly total from 12,546 cars to 11,225 cars and the adjusted index number fell from 67.64 to 60.75. In the eastern division the total of 21,103 cars was down 935 cars and the index number dropped from 55.09 to 54.39. Miscellaneous freight decreased by 579 cars, pulpwood by 355 cars, grain by 322 cars and other forest products by 256 cars. Merchandise and pulp and paper loadings recorded moderate increases.

Building permits issued in 61 cities in March, compiled by the Dominion Bureau of Statistics and released during the week, showed little improvement over the previous month, the total of less than $1,000,000 being the smallest in the past ten years with the exception of February, 1933. Construction activity is now reduced to 13.4 per cent of the 1926 level and only 7 per cent of the 1929 peak.

* * *

St. Lawrence Opens

NAVIGATION on the St. Lawrence officially opened on April 14 with the docking in Montreal of four ocean steamers with cargoes of British anthracite. This is the second earliest opening of navigation ever recorded, April 12, 1902, being the record. With the St. Lawrence free of ice, the large amounts of grain in elevators at Fort William and Port Arthur and Ontario lake ports will begin to move. Nearly 72,000,000 bushels are in elevators at the head of the lakes and another 14,000,000 bushels in elevators in other Ontario cities. In addition, over 5,000,000 bushels of Canadian grain is stored in elevators in United States lake ports and this will probably be rerouted via Canadian ports to get the benefit of the British preference.

Canada Spends Million on Cut Flowers in '32

Of the $1,607,096 spent in Canada during the 12 months ended May 31, 1932, on flowers, decorative plants, shrubs, trees, etc., $1,093,927, or 68 per cent, was for cut flowers. The wholesale price of the 466,092 shrubs bought for outdoor planting was $88,267.

Rose bushes sold numbered 304,265 and accounted for $66,022; ornamental evergreen trees to the number of 68,244, were valued at $51,744; ornamental deciduous trees totalled 198,518, worth $42,489; perennial plants numbered 364,923, with a value of $38,134, and biennial plants aggregated 53,354, valued at $1,721.

Government, Municipal and Corporation Bonds

List of current offerings furnished on request

Royal Securities Corporation
Limited

244 St. James Street
MONTREAL

330 Bay Street
TORONTO 2

Business Conditions in Canada

ONT. AUTO SALES HIGHER IN MARCH THAN PRIOR YEAR

Many Makes Have Better Record — Other Provinces Decline

Sales of new passenger automobiles in Ontario during March were 6.2 per cent higher than in the same month of 1932, nine of the leading makes of cars, including Chevrolet, Ford, Dodge, Plymouth and Pontiac, showing increases, according to an analysis made by The Financial Post of a compilation made by Might's Directories and published in Canadian Automotive Trade. The other eastern provinces failed to show this increase over the previous year and total sales in all the eastern provinces were 25.5 per cent below March, 1932.

There were 2,730 passenger automobiles sold in the eastern provinces in March, compared with 3,667 in March, 1932. Of the March, 1933, figure, the six leading makes accounted for over 80 per cent of sales, Ford and Chevrolet alone making up more than 50 per cent of the total.

Ford Sales Increase

While Chevrolet maintains its leading position for the third consecutive month the feature of the March figures is the comeback made by Ford. After being displaced from second position in February by Dodge it regained it again in the March standing with 530 sales, more than twice the Dodge total, and now stands second to Chevrolet in total sales for the year. Pontiac maintains the good showing made in February and remains in fourth place.

Sales of individual makes in March and for the three months ended March are shown in the following table:

March Sales of Leading Automobiles
(In Eastern Canada)

	March 1933	March 1932	3 Mos. 1933
Chevrolet	878	1,192	1,834
Ford	530	529	793
Dodge	244	165	547
Pontiac	229	213	457
Plymouth	186	194	414
Buick	134	329	307
Chrysler	76	140	137
Willys	70	74	119
Essex	65	88	128
Oldsmobile	56	97	90
Rockne	45	24	73
De Soto	43	144	96
Studebaker	43	117	82

General Motors First

General Motors is the leading manufacturer according to the March sales figures with a total of 1,309, Chevrolet, Pontiac and Buick being the big sellers. Ford, with only one big seller—Lincoln selling only 2 cars in March—just failed to nose out Chrysler from second place, this latter manufacturer having 559 sales from four makes.

The three leading manufacturers, General Motors, Chrysler and Ford, accounted for nearly 88 per cent of all sales during the month, the respective percentages being 48.0, 20.5 and 19.4. General Motors failed to hold the position of March, 1932, when products of this company accounted for over 50 per cent of all sales, but both Chrysler and Ford showed improvement from the respective percentages of 17.5 and 14.4 of March, 1932.

With the exception of Willys-Overland, other manufacturers handled a smaller percentage of the March business this year compared with last. Sales of leading manufacturers were as follows:

Eastern Canada Automobile Sales
(Grouped by Leading Manufacturers)

	March 1933	March 1932	3 Mos 1933
General Motors:			
Chevrolet	878	1,192	1,834
Pontiac	229	213	457
Buick	134	329	307
Oldsmobile	56	97	90
Cadillac	10	23	16
La Salle	2	..	8
	1,309	1,854	2,712
Chrysler Corp.:			
Dodge	244	165	547
Plymouth	186	194	414
Chrysler	76	140	137
De Soto	43	144	96
	559	643	1,194
Ford of Canada:			
Ford	530	529	793
Lincoln	2	...	2
	532	529	795
Studebaker Corp.:			
Studebaker	43	117	82
Rockne	45	24	73
	88	141	155
Willys-Overland:			
Willys	70	74	119
Willys-Knight	7	18	12
	77	92	131
Hudson-Essex:			
Essex	65	88	128
Hudson	8	28	22
	73	116	150
Dominion Motors:			
Frontenac	37	41	127
Durant	8	72	15
Reo	4	10	21
	49	123	163

Commodity Prices

Commodity Prices at Wholesale‡

	Week ending Apr. 15	Previous week	Same week last yr.
Cattle (cwt.)	$5.10	$5.15	$7.00
Copper, lb.	....	.05¼	.05¾
Cotton, lb.	....	.0655	.0620
Rubber, lb.	....	.0310	.03
Silk, lb.	....	1.20	1.50
Sugar, raw, lb.	....	.0305	.0260
Wheat (Man.) bu.	.52½	.50⅝	.64½
Hides, lb.	....	.05½	.06
Coffee, lb.	....	.07¾	.07¾

Weekly Indices

	Week ending Apr. 15	Previous week	Same week last yr.
N. Y. Annalist	83.3	81.8	91.3
Fishers'	56.8	56.2	†62.0
N. Y. Journal of Comm.	55.9	54.8	59.8
Crumps (Brit.)	60.0	59.7	†62.4

†Average 1932.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.) (Mar.)	64.4	63.6	69.1
Retail (Mar.)	78.9	79.0	...
U. S. Labor (Feb.)	59.8	61.0	66.3
Gt. Brit. (Feb.)	66.7	67.7	71.1

‡ Basis of price quotations is as follows: cattle — steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; silk—Japanese, 13-15, New York; sugar—96 degree centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

Change Now Overdue in Pound Duty Value

Impression That Wrongs Righted by Change in Value For Dumping Duty Incorrect — Dumping Duty and Value for Duty Purposes Explained

With the reduction of the valuation of the pound sterling for dumping duty purposes from $4.40 to $4.25, as provided for in the recent Dominion budget, the general impression has been created that an unfair situation hindering British trade with Canada has been righted.

This, however, is not correct, as the valuation of sterling for ordinary duty purposes still remains at $4.86⅔.

There appears to be some confusion among readers of The Financial Post, and certainly among the majority of Canadians, as to the difference between dumping duty and sterling valuation for duty purposes. A brief explanation may be helpful.

Difference Explained

"Dumping duty," so-called, is an impost collected from importers of British goods, whether dutiable or not, the amount of the impost being based on the difference between the fixed dumping duty valuation, fixed by the Government at $4.25 (until recently $4.40), and the current quotation as set fortnightly by the Department of National Revenue (at present $4.13). At the present time, therefore, dumping duty amounts to 12 cents for every pound sterling of British goods.

"Valuation for duty purposes" is an entirely different thing and, as pointed out repeatedly in The Financial Post, is much more important from an importer's or manufacturer's point of view. British goods entering this country which are subject to duty have this duty calculated on a dollar value which represents the number of pounds sterling multiplied by $4.86⅔. It is this $4.86⅔ that is the sterling value for duty purposes.

Discrimination Evident

Some weeks ago in reply to a question in the House, Hon. E. B. Ryckman, Minister of National Revenue, stated that the present uncertainties of the exchange situation made it impracticable to fix a lower value for sterling. Yet a daily value for the Australian pound is set, and the Australian pound is definitely fixed to sterling and fluctuates in direct relationship to that currency.

Just how the use of this $4.86⅔ valuation affects the cost of British goods in Canada is illustrated in the following examples, one calculated on the present basis of $4.86⅔ and the other on the current quotation of sterling, the duty in both cases being assumed to be 30 per cent.

Under Present System

Cost of goods in Great Britain £100	
Valued at $4.86 2/3	$486.67
Duty	146.00
	$632.67
Sales and excise taxes on above total	57.84
	$690.51
Less: Duty valuation (above)	486.67
Duty and taxes	$203.84
Dumping duty*	12.00
Remit to Br. manufacturer (£100 at $4.13)	413.00
Cost to importer	$628.84
Importer's and retailer's profits (33½%)	314.42
Cost to consumer	$937.26

*Difference between $4.25 and $4.13 multiplied by number of pounds sterling.

Duty Calculation at Current Value

Cost of goods in Great Britain £100	
Value at current quotation (say $4.13)	$413.00
Duty	123.90
	$536.90
Sales and excise taxes on above total	48.33
	$585.23
Less: Duty valuation (above)	413.00
Duty and taxes	$172.23
Dumping duty*	12.00
Remit to Br. manufacturer (£100 at $4.13)	413.00
Cost to importer	$597.23
Importer's and retailer's profit (33½%)	298.62
Cost to consumer	$895.85

Case for Canadian Manufacturer

Certain Canadian manufacturers maintain that valuation at $4.86⅔ is necessary to enable them to compete with British goods. Assuming that this is the case, then this obsolete valuation merely acts as an additional tariff and not as a temporary measure to ensure elimination of unfair competition. If additional protection, over and above the present tariff rates, is required by these manufacturers, that is a matter to be adjusted in the tariff schedule and is no argument in favor of the valuation of sterling at the present exchange level.

Another stand which is taken by those who oppose the elimination of this valuation of the pound, is that prices in Great Britain have not altered to any extent since Great Britain went off the gold standard. In support of this argument, one trade paper quotes the British Board of Trade wholesale price index of September, 1931, which was 99.2, and the same index for January, 1933, of 100.3. This shows only a slight advance of one per cent. However, during this period a decrease of 10 per cent has taken place in the Canadian wholesale price index, making a spread of 11 per cent from the position before Great Britain went off the gold standard.

Price Changes Balance Exchange Difference

In a previous issue of The Financial Post it was pointed out that in 1930, about a year before Great Britain abandoned the gold standard, prices in that country were approximately 7 per cent below the Canadian level but since that time they have risen until now they are approximately 7 per cent above the level of this country. If, then, no unfair competition existed in 1930 when prices were below those of Canada and the exchange value was the gold parity, it seems reasonable to suppose that the same position exists at the present time as the 14 per cent difference in prices practically balances the 15 per cent reduction in the value of sterling from $4.86 to $4.12.

Business Briefs

Average Value of the pound sterling for special duty purposes is $4.13 effective for entries during the period April 16 to 30, inclusive.

Failures under the Bankruptcy Act for the week ended April 8 numbered 30 compared with 32 in the corresponding week of 1932. For the year to April 8 failures number 555 compared with 602 last year, a decrease of 7.9 per cent.

Car Loadings for the week ended April 8 amounted to 32,328 cars, or 2,256 cars less than for the previous week, and the index number dropped from 59.11 to 56.48.

Wheat Stocks in the week ended April 7 totalled 225,875,792 bu. compared with 225,529,220 bu. in the previous week and 181,307,459 bu. in the corresponding week of 1932.

Wheat Exports in the week ended April 7 amounted to 2,099,052 bu. compared with 2,668,855 bu. in the previous week and 2,366,098 bu. in the corresponding week of 1932.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1933	Weekly Latest 1932	Cumulative Jan. 1 to date 1933	Cumulative Jan. 1 to date 1932
Transportation—				
Car loadings (Apr. 8)	32,328	41,432	463,127	576,765
C. P. R. gross earn. (Apr. 14)	$ 1,760,000	$ 2,122,000	$ 25,333,000	$ 30,643,000
C. N. R. gross earn. (Apr. 7)	$ 2,170,324	$ 2,771,166	$ 28,704,531	$ 36,972,516
Automobile exports, No. (Feb.)	277	414	781	996
	Monthly			
C. P. R. net earn. (Feb.)	$ 96,611	$ 229,434	$ 419,983	$ 846,913
C. N. R. net earn. (Feb.)	$ ‡1,401,934	$ ‡589,428	$ ‡2,822,782	$ ‡1,177,550
Iron and Steel—				
Pig iron, tons (Feb.)	6,144	10,507	35,353	20,812
Steel, tons (Feb.)	12,374	28,469	53,140	53,529
Automobiles prod., No. (Feb.)	3,298	5,477	6,656	9,208
Automobile exports, No. (Feb.)	277	414	781	996
Construction—				
Building permits (Mar.)	$ 934,555	$ 3,396,729	$ 3,016,339	$ 9,453,012
Contracts (Mar.)	$ 3,191,600	$ 10,766,700	$ 9,703,300	$ 38,307,600
Newsprint—				
Production, tons (Feb.)	125,610	158,543	266,149	329,864
Exports, tons, (Feb.)	107,446	142,445	235,225	315,358
Sugar—				
Imports, raw, lbs. (Feb.)	11,998,200	24,368,700	20,620,100	36,354,400
Melt & ship., lbs.*	57,890,777	52,912,044	95,698,813	108,338,888
Manufactured, lbs.*	55,432,178	51,876,286	103,082,420	105,448,206
Flour—				
Production, bbls. (Feb.)	844,890	842,123	1,604,006	1,699,315
Wheat flour exp., bbls. (Feb.)	333,114	337,513	730,418	669,319
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (Feb.)	†37.71	60.44	76.89	114.29
Boots and shoes, pr. (Jan.)	921,898	1,112,192	......	......
Petroleum, imp. crude, gal. (February)	37,556,919	48,582,747	72,640,869	121,311,390
Cotton, imp., raw, lbs. (February)	6,026,000	7,074,000	14,791,000	15,702,000
Rubber, raw, imp. lbs. (Feb.)	2,631,013	3,859,283	5,294,427	7,770,689
Coal, imports, tons (Feb.)	455,272	508,696	941,478	1,138,329
Gasoline sales (Jan.)	27,712,600	25,354,000	......	......
Trade—				
Imports (February)	$ 23,514,114	$ 35,586,085	$ 47,955,247	$ 69,700,592
Exports (February)	$ 26,397,528	$ 36,431,055	$ 57,959,341	$ 74,797,754
Wheat exports, bus. (Feb.)	10,922,337	9,898,363	25,629,138	19,370,709
Labor—				
Employment Index (Mar.)	76.9	88.7	......	......
Electric Power—Output—				
M. Kilowatt hours (Feb.)	1,299,566	1,325,133	2,696,205	2,739,051
Finance—				
Failures, No. (Jan.)	213	238	......	......
Failures, Liabilities (Jan.)	$ 4,049,929	$ 4,060,643	......	......
Bank debits† (Feb.)	$ 1,830,277	$ 1,990,046	$ 3,799,152	$ 4,061,081
Bond sales (Mar.)	$ 360,728	$ 35,724,177	$ 20,773,338	$ 102,156,332
Insurance sales (Feb.)	$ 26,323,000	$ 38,145,000	$ 75,476,000	$ 81,368,000
Automobile Financing:				
Used cars (Feb.)	$ 631,147	$ 801,663	$ 1,165,804	$ 1,614,164
New cars (Feb.)	$ 530,449	$ 727,705	$ 982,201	$ 1,360,412

*Four weeks period, Mar. 4 to Mar. 25. †(000's omitted). ‡Deficit.

OTTAWA APPROVES FRANCE-CANADA TRADE TREATY

But Two Reservations Yet to be Settled — Compromise Probable

From Our Own Correspondent

OTTAWA.—The Government has approved the Franco-Canadian trade treaty, with two reservations, and the immediate future of the pact now depends upon whether or not the French Government is prepared to meet Canada on these points.

There is little doubt as to the nature of the reservations. The discussion of the treaty in The Post last week revealed that it was acceptable to the cabinet and the trade experts except with regard to the French concessions on wheat and canned salmon. The cabinet desired better terms on both and while the salmon item does not present insurmountable obstacles, the wheat problem is a thorny one.

Salmon Quota Possible

With regard to salmon, as explained last week, it is merely a question of whether France's agreement with Japan should be terminated forthwith or allowed to lapse when it expires next September. Once this agreement is out of the way the proposal is to divide the French market on the basis that Canada and Japan will each have quotas, being the average of their sales in the past five years.

This provision is entirely acceptable at Ottawa, except that Premier Bennett would like to have the new quotas put in at once, whereas France would prefer to allow the agreement with Japan to run its course. The new trade pact met France's wishes, hence the reservation.

Wheat Against French Policy

The wheat problem is difficult for the reason that it runs counter to the foreign policy of the French ministry. France, in supporting the small states of central Europe, agrees to buy much of their wheat. She does so as a part of her German policy. Hitherto the French Government has declined to modify this policy and to reopen her market to substantial quantities of Canadian wheat. Hence the second reservation.

The common sense of the situation would indicate a compromise. France might concede Canada's request with respect to salmon and Canada might withdraw the reservation on wheat. This is pure guess work, but if a decision is not reached within ten days, the approval of the treaty at the present session of parliament will be extremely doubtful.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Canadian Veneer, Ltd., a new industry being established near St. John, N.B. (The Financial Post, March 11) has started construction of its plant at the St. John Driving Club property at Coldbrook. First shipments of machinery have arrived at the plant.

East Kildonan, Man., canning factory may open soon if arrangements at present being discussed are carried out. About 100 men will be employed raising vegetables in neighboring market gardens for canning purposes on a profit sharing basis. James Grant, president of the East Kildonan Home Protective Association is the leader of the enterprise.

Maritime Lumber Co., Ltd., is the name of a new company which has been formed to operate in St. John, N.B. (The Financial Post, April 15) Diamond Match Co., a United States concern is the present company and the Canadian plant will manufacture match blocks, that is, blocks of wood to be cut into match lengths elsewhere. Gregory Baker, executive of the Mattawamkeag, Maine, branch of the United States Company will become resident manager of the Canadian plant.

Quality Products, new St. Thomas beverage company, is now in operation and is already showing signs of growth. The company is agent for Canada for Jamaica Dry ginger ale and Detroit Ginger Ale.

E. Leo Hearn, Kitchener, has purchased the plant of the Hyatt Jumbo Roofing Co. in that city and will operate there under his own name. Mr. Hearn was local manager of the concern for three years.

Knitters, Ltd., Peterborough, Ont., has purchased a plant in Lindsay, Ont., formerly occupied by Universal Silk Dyers, and will move its entire business to that city. In the meantime the 20 men formerly employed by Universal Silk Dyers, which went into liquidation in March, will be called back to work and the machinery from Peterborough be moved during the next few months so that complete operations can be maintained.

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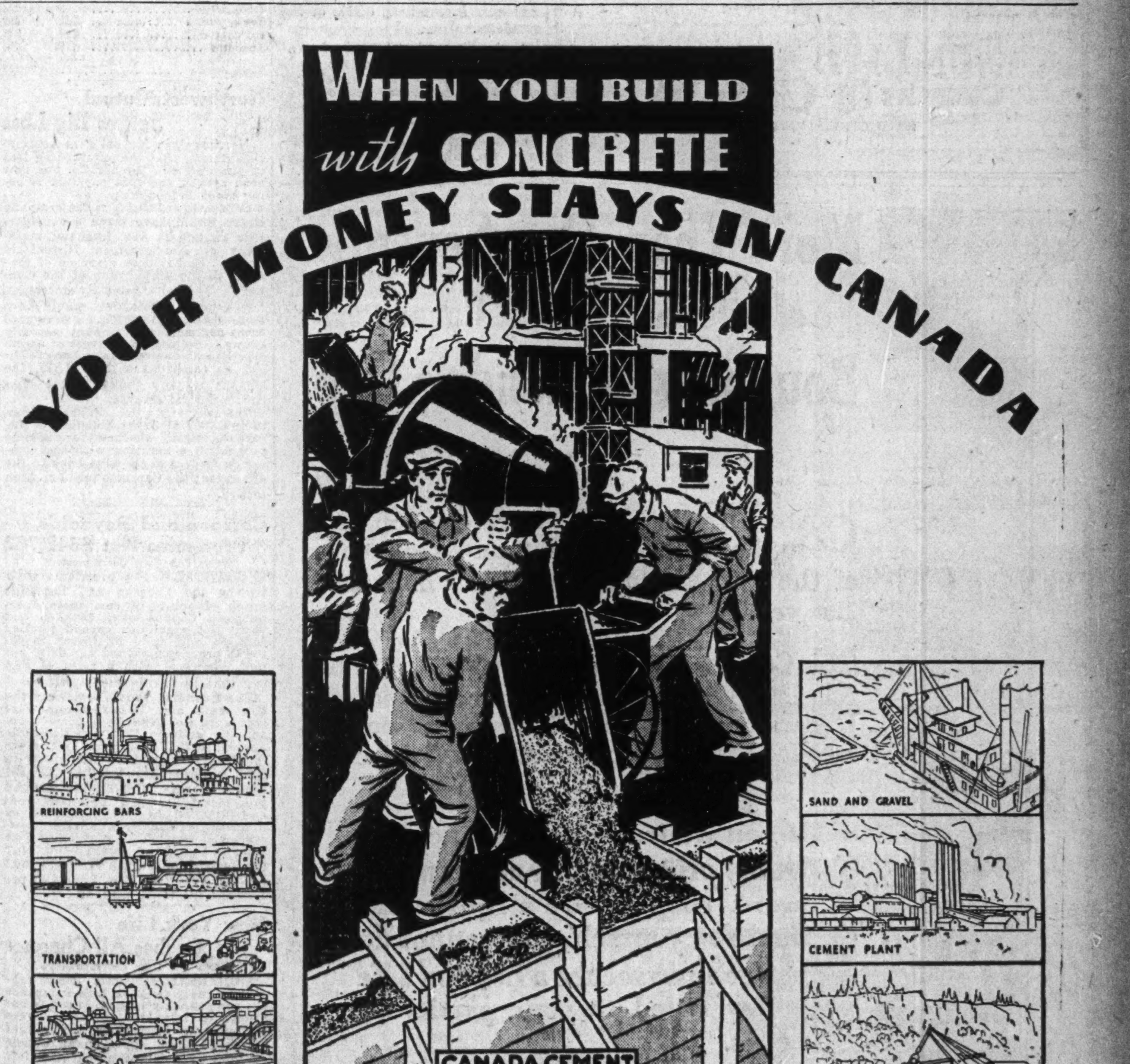

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Insurance for Buyer and Seller

WOMEN BUYERS OF LIFE INSURANCE SHOW INCREASE

Confederation Life Analyzes Sales Experience of Past Year

Women accounted for 20 per cent of the buyers of new insurance with the Confederation Life in 1932, according to a survey published in the company's monthly agency bulletin. This is an 8 per cent increase during the past 5 years. During this same 5-year period, the percentage of new business issued on male lives, decreased from 85 per cent to 79 per cent, and on joint lives from 3 per cent to 1.5 per cent. This 50 per cent reduction in the joint life percentage is, the bulletin states, no doubt due to the fact that fewer joint life policies are being sold as business insurance, as individual policies have been found to be more satisfactory in such cases.

Analysis of the type of plan sold in 1932 showed that the whole life plan was still the most popular, accounting for 32.7 per cent of total business a drop of 4 per cent from the previous year. Business written on the limited payment life plan dropped from 25.6 per cent to 20.4 per cent, while the endowment plan remained steady at 15 per cent. Term policies issued showed an increase from 15 to 18 per cent, while pension bonds showed a most spectacular rise, going from 3 per cent in 1930 to 8 per cent in 1931 and 12 per cent in 1932.

Big Non-Medical Volume

Sixty per cent of the number of policies, representing 44 per cent of the association's new Canadian business in 1932, was issued without medical examination, the average non-medical policy amounting to $1,677.

Analyzed by the individual types of policies sold by the company, the "Confederation" series, especially pension bonds and endowments showed continued increase in popularity in the Canadian field. This series accounted for 39 per cent of total volume written, compared with 27 per cent the previous year. The percentage of volume written on the "Standard" series dropped from 48 to 35 per cent, while the super-select series held steady at 27 per cent, about 2 per cent above the 1931 figure.

Average policy in the super-select series was the highest, at $6,153, an increase from $5,753 in 1931. The average policy in the Confederation Series increased from $2,796, in 1931, to $2,879, in 1932. The average policy in the Standard Series dropped from $1,520 to $1,430. It is also interesting to note that, while the average policy for all plans was $2,204 in 1931, it increased to $2,380 in 1932. The 1925 average was $1,696.

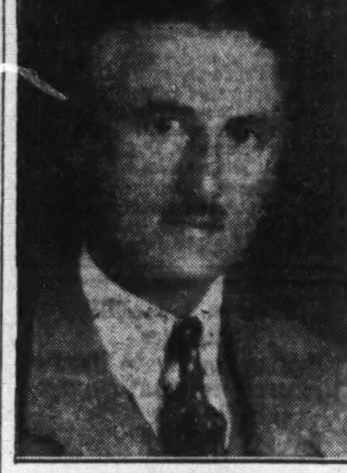
British America President Back from 26,000-Mile Trip

"Nice to get back" was the crisp comment of Ernest A. Brownell, New Zealand-born president of the British America-Western group after a 26,000 mile trip around the world visiting the far flung outposts of his organization.

The trip has taken him just over four months and in that time he has made personal contacts with the company's representatives in most of the sixteen countries of the world in which British America-Western operates. He sailed November 16 from New York and arrived back via Vancouver just in time to attend the annual meetings of his companies on March 31. His trip is unique in many ways for British America-Western is not only the leading domestic fire and casualty company in Canada but it is the only Canadian company in this field to build up a successful world-wide business. Only two other companies, the Dominion of Canada General and the Mercantile, operate to any extent outside of Canada.

Important results will accrue to his companies as a result of his trip, Mr. Brownell prophesies. He was reticent about committing himself as to details however except to say that already agency changes have been made in some of the countries he visited and that others will follow. "Insurance the world over is be-riddled by over-competition—it's as bad over there as it is here," he says.

Born in the little town of Timaru, New Zealand, Mr. Brownell has been with the company he now heads, for over 25 years. He originally entered the business through the insurance branch of an Australian "pastoral." A pastoral is a unique type of commercial and industrial organization—a sort of gargantuan business organization which combines the functions of a large scale wool and grain brokerage firm with a merchandising setup embracing retail and wholesale outlets and extending into almost every branch of trade and commerce. The firm he joined held at that time the fire, marine and accident agency for the London Assurance Co. Three years later he moved to another pastoral which had just been appointed agent for the Canadian-born Western Assurance Co.



E. A. BROWNELL

Manager in 1912

This was in 1905 and under the guidance of Mr. Brownell the company formed branches in most parts of the Commonwealth. In 1912 he was appointed manager for the company in Australia. This position he retained until a year and a half ago when he was appointed president and managing director of the group. Subsequently he came to Toronto to take up residence at the head office of the company.

Tall, thin and a bit angular of face he does not look his 56 years—nor does he look as if he carried on his shoulders the active management and consequent worries of the oldest financial institution in Canada—British America Assurance Co. which two months ago celebrated its 100th anniversary.

A Firm Foundation for the Structure of Financial Independence

Every man looks forward to the day — 20, 30, 40 years ahead, when he can work or play as he pleases—when the savings he has taken care of, will take care of him—when his business will run like a well-oiled machine with very little supervision — when his securities, materially increased in value, will bring him in an adequate income.

Now is the time to ensure that he will have the income necessary to enjoy his leisure then.

Sun Life Endowments make an excellent foundation on which to build the Structure of Financial Independence.

Any Sun Life Representative will gladly help you to select the Policy best suited to your requirements.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE-MONTREAL

More Than One-Seventh of Life Insurance in Canada Bought from London Life

CANADIANS endorsed The London Life to the extent of more than one-seventh of their total purchases of life insurance last year.*

This Company is characterized by its strong financial position and "returns to policyholders." It has built its business on the two-fold basis of security and service.

If you desire Life Insurance for family protection, or as an investment to provide a retirement fund for yourself, you cannot do better than secure a London Life policy fitted to your particular needs.

*There are approximately forty life insurance companies actively conducting business in Canada.

Established 1874
London Life
Insurance Company
"Canada's Industrial-Ordinary Company"
HEAD OFFICE - LONDON, CANADA

Life Co. Assets Up $21,346,985 at Dec. 31, '32

An increase of $21,346,985 in total assets of Canadian life insurance companies at Dec. 31, 1932, as compared with Dec. 31, 1931, is recorded in preliminary figures issued by the Department of Insurance, Ottawa. These data are subject to correction, and assets are valued on the basis allowed by the Department of Insurance.

Total assets at Dec. 31, 1932, are given as $1,632,440,972. This compares with $1,611,093,987 a year previous. Liabilities to all policyholders totalled $1,589,161,662 at Dec. 31, 1932.

Of the total assets, $558,911,429 were held outside Canada. Total liabilities outside Canada amounted to $676,235,666. Assets in Canada were $1,073,529,543, against liabilities to policyholders in Canada of $912,925,996.

On the same date, assets of British life insurance companies in Canada, including deposits with the Department of Insurance and with Canadian trust companies, under the Insurance Act, amounted to $61,008,896. Their liabilities to policyholders in Canada amounted to $34,772,481. On the same basis, assets and liabilities of foreign life insurance companies in Canada amounted to $450,811,863 and $348,396,468 respectively.

SUICIDE RATE SHOWS DECLINE IN 3RD QUARTER

But Figures Show Gain Compared With 1932

Suicides in Canada in the third quarter of 1932 increased almost 5 per cent from the corresponding figure of 1931 according to figures published by the Dominion Bureau of Statistics this week.

Total figures for Canada for the quarter were slightly lower than in the second quarter of the year at 283 as compared with 291.

Figures for the first three quarters of the year to-date indicate 779 suicides in Canada as compared with 763 in the same period a year ago. In that period the total death rate has dropped sharply however so that suicides now account for a slightly higher ratio of total deaths at approximately 1 per cent.

Although total deaths in the entire year 1930 topped the 1,000 mark, the figures for suicide in the first three quarters of 1932 and 1933 are considerably higher than the total for the entire years 1927 and 1928 respectively.

Comparative figures for the first three quarters of the year follow:

Suicides in Canada

	1932	1931
1st quarter	205	224
2nd quarter	291	269
3rd quarter	283	270
9 months	779	763
Total deaths	77,411	79,223

Northwest Mutual Settles Big Loss

Northwestern Mutual Fire Association reports that the outstanding loss of the Capilano Timber Co. has now been settled and that payment is being made immediately.

Settlement of this loss the company states would have made a considerable change in the financial statement of Northwestern Mutual in Canada. Had it been disposed of previous to the preparation of the company's federal financial statement, losses under adjustment would have been shown at $36,752 as compared with $644,952, the amount actually shown. Similarly, the excess of assets over liabilities would have been $474,596, as compared with $281,879, the amount actually shown in the company's federal returns.

The company states it has written to the federal Superintendent of Insurance, asking whether there is time to publish a notation with the company's figures in the blue book to the effect that the Capilano loss has been settled.

Corroon and Reynolds Premiums Net $542,762

From Our Own Correspondent

MONTREAL. — Net premiums written by the Corroon and Reynolds group of non-tariff companies operating in Canada were $542,762 last year. Net premiums earned totalled $522,188 and ratio of losses incurred to premiums earned was 69.46 per cent compared with a ratio of 66.4 per cent in the previous period.

The Canadian group comprises the Merchants and Manufacturers Fire Insurance Co., New York Fire Insurance Co. and the American Equitable Assurance Co. New York Fire wrote the largest volume in the group in 1932, net premiums totalling $239,431 compared with $189,771 written by the Merchants and Manufacturers and $113,560 in net premiums of American Equitable. The latter, however, had the most satisfactory loss ratio in the group, losses being only 55.84 per cent against 72.70 per cent for the New York Fire and 74.45 per cent for the third member.

New York Life Cashes All Cheques

From Our Own Correspondent

MONTREAL.—Cheques made payable to the New York Life Insurance Co. are promptly cashed, but it is not always so when the company issues cheques. In The Financial Post of March 25 there appeared an article dealing with forgotten cheques left with the banks, wherein it was stated that the New York Life Insurance Co. had failed to cash six certified cheques or drafts which were held for the company at Montreal by the Bank of Montreal. The cheques were dated in 1926 and ranged in value from $10 to $204.15.

The matter was investigated by the New York Life and it was discovered that instead of the bank holding cheques to be cashed by the company, they were holding cheques drawn by the company and which had not been cashed by the payees.

Universal Co. of Newark Asks Return of Deposit

Universal Insurance Co. of Newark, N.J., has served notice of discontinuance of business in Canada and will apply for release of its deposit with the Receiver General on June 26, 1933.

Universal Insurance discontinued writing fire business in Canada as of June 30, 1932, and inland transportation business as of March 1, 1933. All fire insurance has been assumed by the American Insurance Co. of Newark, N.J., with Canadian office in Toronto and by Eagle, Star and British Dominions Insurance Co., Toronto. All inland transportation business has been assumed by British Northwestern Fire Insurance Co., Toronto.

YORK CLUB, TORONTO TAKES GROUP POLICY

Confederation Life Also Places First Group Contract in U. K.

Confederation Life Association reports the sale of an interesting group policy to the York Club, Toronto.

Effective March 1, this famous club at St. George and Bloor Streets, Toronto, will pay the cost of a group policy on its entire staff. The protection includes life insurance, sickness and accident, accidental death and dismemberment benefits. The weekly disability benefit is payable for all sickness and all accidents, occupational as well as non-occupational, the benefit being payable on the eighth day of disability and continuing for a maximum of 13 consecutive weeks.

Other group cases placed by Confederation recently include Marshall-Ecclestone Limited of Timmins; Bertrand Brothers, Timmins; Shepherd Printing Company, Chatham; Provincial Paper, Limited (Port Arthur Plant); George W. Ecclestone, Limited, Bracebridge; George R. Prowse Range Company, Limited, Montreal.

The company also announce the closing of its first group case in Great Britain. This group is on the Hope Chemical, London, and provides combined group pension and group life benefits. Under the pension schedule it is provided that each employee on reaching age 65 will receive an annuity of £1 for each year of service subsequent to the adoption of the coverage, the annuity being payable for life. In addition, each employee is insured for £200, and the entire cost of the combined protection will be borne by the employer.

Another British case also closed by the company is on the firm of T. W. Hanson, St. Albans, Herts. The schedule provides £100 free insurance for all employees.

Insurance Inklings

ROBERT P. SIMPSON, Sun Insurance Office, Ltd., has been appointed branch manager at Winnipeg, having jurisdiction over Manitoba, Saskatchewan and Western Ontario. This arrangement follows the taking over of the Canadian National Fire, head office of which was in Winnipeg.

J. P. LYONS, advertising manager of the Manufacturers Life Insurance Co., recently celebrated the thirtieth anniversary of his association with the company. Mr. Lyons held various positions in the head office of the company before being appointed advertising manager in 1919.

Great-West Life Assurance Co. announces that issued business in March of $5,006,818 is the best showing this year, being $1,236,928 over February and $500,000 over January.

Occidental Life Reports Assets of $23,704,820

Net admitted assets at the end of 1932 of $23,704,820 with free surplus $241,430 and contingency reserves of $276,391 are reported in the current annual report of Occidental Life Insurance Co. of Los Angeles for which S. C. Tweed has recently been made general manager for Canada. The company's statement shows capital stock fully paid up at $1,000,000.

Analysis of the company's statement shows over 25 per cent of total assets in loans to policyholders, this being the largest single item at $6,044,000. Bonds are shown at $4,680,000 and first mortgages at $4,770,000. Another important item is "balance due on properties sold under contract" which amounts to $3,328,000.

New paid for business in 1932 is shown at $47,863,000 while total business in force reached a new high figure at $163,135,000. In Canada in 1932 the company reports new paid for business at $296,000 and total business in force of $8,162,200.

Licenses Issued

Lloyds Insurance Co. of America has been issued a certificate of registry authorizing it to transact in Canada the business of burglary, plate glass and automobile insurance, excluding insurance against loss or damage to an automobile by fire or transportation, guarantee insurance limited to the guaranteeing of the fidelity of persons in positions of trust, public or private, insurance against bodily injury and death by accident, and insurance against liability for loss or damage from accident to employees or other persons or to property. H. Begg, Toronto, has been appointed Canadian chief agent.

British Canadian Insurance Co. has been issued a certificate of registry authorizing it to transact in Canada the business of fire, accident, automobile, burglary, explosion, guarantee, plate glass, sickness, sprinkler leakage, steam boiler, tornado insurance and insurance against loss or damage to property other than growing crops by hail.

Banker Enters Insurance After 18 Years as Manager

After 18 years as manager of the Hamilton Market St. branch of The Royal Bank of Canada, A. R. Lancefield has left that position to become associated with Col. W. H. Seymour of the Imperial Life Assurance Co. The staff of the branch made a presentation to Mr. Lancefield on the occasion of his retirement from the bank. Head office acknowledged his long and faithful service.

Mr. Lancefield is president of the Rotary Club of Hamilton, and is a past president of the Canadian Club of that city. He started his banking career with the Traders Bank 30 years ago. Since that institution joined The Royal Bank, Mr. Lancefield has served in Calgary, Windsor, Ottawa and Hamilton.

O. E. Manning Now Manager Grey & Bruce Trust

O. E. Manning has been appointed general manager of the Grey & Bruce Trust & Savings Co., Owen Sound, Ont., as a result of steady increase in business obtained by the company since the amalgamation of Grey & Bruce Loan & Savings Co. and the Owen Sound Loan & Savings Co. in 1926 when trust powers were acquired. For the last six years Mr. Manning has been an inspector for the Sterling Trusts Corp.

W. M. Telford continues as secretary-treasurer of the company, a position he has held for the past 10 years.

Lambton County Will Carry Own Highway Accident Ins.

Lambton county council, at a meeting held recently, unanimously decided in favor of establishing a sinking fund to provide against county highway claims in place of carrying liability insurance.

The resolution adopted by the council referred in part to what was described as the very high premiums charged by the insurance companies. The county clerk has been instructed to collect all possible data on the matter of sinking funds and this will be brought before the June session of the council.

ESTABLISHED 1881 · SOLID AS THE CONTINENT · A MUTUAL COMPANY

NORTH AMERICAN LIFE

ASSETS $47,298,633
SURPLUS $6,035,328

Head Office—Toronto, Canada

ALL PROFITS PAID TO POLICYHOLDERS

Winnipeg Plants Maple Trees

The City of Winnipeg is to set out maple tree seedlings along many of its streets and other Western cities are going to do the same, following the Winnipeg experiment, under encouragement from the provincial Department of Agriculture. To this end a large consignment of seedlings have been ordered and received from the Thunder Bay region of Ontario and will be distributed at once.

FINANCIAL CONDITION OF
OCCIDENTAL LIFE INSURANCE COMPANY
LOS ANGELES, CALIFORNIA
JANUARY 1, 1933

ADMITTED ASSETS

Government, Municipal and Corporation Bonds	$ 4,679,760.65
Mortgage Loans on Real Estate, First Liens	4,769,765.16
Loans to Policyholders, Upon Security of Company's Policies	6,043,994.43
Balance Due on Properties Sold Under Contract	3,327,963.79
Western Mutual Fund	2,311,167.15
Corporate Stocks	1,049,617.07
Cash in Office and Banks	183,858.17
Loans Secured by Pledge of Bonds, Stocks or Other Collateral	32,520.13
Net Life Premiums Deferred and in Course of Collection	831,916.61
Interest Due and Accrued	466,109.46
Other Admitted Assets	8,147.27
Total Admitted Assets	$23,704,819.89

LIABILITIES

Reserves on Life Policies Required by Law	$19,172,062.27	
Reserves on Accident Policies Required by Law	60,867.51	
Western Mutual Fund	1,904,158.56	
Life Premiums and Interest Paid in Advance	339,863.58	
Reserves for Federal, State and Other Taxes Hereafter Payable	35,468.27	
All other Liabilities	47,156.21	
TOTAL LIABILITIES		$21,559,066.39
Capital Stock (Fully Paid)	1,000,000.00	
Surplus Assigned	627,931.66	
Voluntary Contingency Reserves	276,391.37	
Surplus Unassigned	241,430.47	
Surplus as Regards Policyholders		2,145,753.50
		$23,704,819.89

Admitted Assets	Premium Income Life Dept.	Premium Income Accident Dept.	Total Income Premiums and Investment	Life Insurance For Year	Life Insurance in Force
$23,704,819.89	$4,286,523.44	$247,182.97	$6,157,407.18	$47,862,785.07	$163,134,461.94

S. C. TWEED, General Manager for Canada, Waterloo, Ontario.

J. W. MILLER, Associate Manager, Winnipeg, Manitoba.

Is this the next BIG CHANGE in Life Insurance ?

THE TIME WAS—and not so long ago—that many men looked upon life insurance as money to cover the cost of their funerals.

Then came the next stage. Men realized how easily they could arrange protection for wife and children. Life insurance was purchased as protection.

Now having seen the collapse of the "new era" of speculation ... having lost entire fortunes too late in life to recover them ... having experienced bitter financial losses in an effort to recuperate dwindling investment values ... *men are finding their life insurance to be the soundest investment they have made.*

This will probably bring about the next big change in men's viewpoint on life insurance.

No longer will they look upon it only as a temporary solution of a pressing family money problem. Not again will they regard it as a financial burden from which they cannot profit while they live. They now look upon it as a sound and profitable investment that brings as large returns as possible commensurate with safety.

Life Insurance offers everything you could expect from other forms of investment *plus absolute protection* for your family if you should pass away.

It protects your home, guarantees the education of your children, and if you live provides an income for your years of retirement. In short, it enables you to set up every needed safeguard and at the same time have your money work for you.

The GREAT-WEST LIFE has solved the insurance problem for many men and women throughout the land. We have a plan for every need. Write today for complete information about any form of life insurance in which you are interested. Full details together with a copy of our latest financial statement will be sent without obligation.

FINANCIAL INDEPENDENCE THROUGH LIFE INSURANCE ASK YOUR LIFE INSURANCE MAN APRIL 17-22

THE GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE: WINNIPEG

THE GREAT-WEST LIFE ASSURANCE COMPANY

Mail THIS COUPON

The Great-West Life Assurance Co.,
Winnipeg, Man.

I am interested in a Great-West Life Plan to cover my requirements as indicated in the accompanying letter. Without obligation send particulars. Dept. 67-B

Name ....

Address

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Dairy Company Profits Hit by Surplus-Milk

Complete Organization of Producers and Monopoly in Milk Deliveries Seen as Only Cures —If These Are Impossible, Low Prices Only Corrective—Large Profits Vanish Until Solution Found

Investors in securities of Canadian dairy companies have good and sufficient reason to study closely the bearing of growing pressure of cheap milk supplies on the fortunes of their companies. Evidence given before the select standing committee on Agriculture and Colonization at Ottawa throughout the months of March and April, bear out the contention of The Financial Post for seven months past that chain store sales of milk at bargain prices and bootlegging of surplus milk have created problems of critical urgency not alone for the regular producers who have supplied the needs of large cities but for the companies which have processed and distributed that milk. For three years back distributors have been under pressure which eventually forced them to drop retail prices and to balance this with lower prices paid to producers though it must be said that in Montreal the latest drop of one cent a quart to nine cents retail has not so far been followed by a further drop in price to the producer.

Why So Large a Spread?

Montreal is mentioned here because an intensive study by the committee of the conditions surrounding the distribution of milk so far has been limited to that city and the surrounding district supplying it. Members of the committee include an exceptional number of members of parliament who have themselves been farmers and dairymen and therefore their questions both to producers and to distributors have been pertinent and searching. They have sought for the most part to determine the justification for the spread of six cents a quart between the price paid the farmer and the price charged the consumer. Their constituents, getting from 2½ to four cents a quart, view the nine or 10 cents a quart paid by the consumer with mingled feelings of envy and distrust, and cannot understand why the costs of getting milk to consumers should be greater than the total cost of feeding cows, looking after all the equipment of the farm as well as the cost of milking, caring for that milk and getting the milk to the consuming market.

Depression Increases Costs

The large dairy companies claim that their profit has been only a fraction of a cent on each quart of milk sold, and that the spread now under examination is necessary to any company which is going to stay in the business of supplying the consumers of large cities. Costs of getting business, of maintaining the expensive machinery now needed by dairy companies, of delivering to customers, of maintenance of delivery wagons and horses and motor vehicles, of paying taxes to provincial and municipal corporations and of complying with all the regulations intended to protect the health of consumers have, if anything, been made more onerous during the depression than before.

First, the blow dealt to purchasing power by depressed business conditions has brought the first halt to the increasing consumption per capita of milk and milk products made evident in the first thirty years of the century.

Second, the cheap milk sold by chain stores and the quick increase in small dealers to sell the cheaper surplus milk of country districts has made delivery more expensive for the larger companies. More delivery wagons cover the same routes to get a business which in any case is smaller because of the chain store sales and the lower purchasing power of customers. That makes it more expensive and this can only partly be met by cutting wages and extending the territory covered by each wagon.

Justifying Expensive Services

Dairy companies hesitate to reduce complete service to customers, by means of which fresh milk can be obtained at any time of the day or night, because it is by such superior service that they hold their best customers. Yet all these things cost money. They reply to producers who charge that such expenditures are taken out of the producer, who gets less for his milk in consequence, by saying that the producer has been benefitted. Just such methods have been responsible for increasing the sale of milk and dairy products. Pasteurization makes the consumer feel safe and the availability of fresh supplies at any time together have tended to increase sales for thirty years. It is felt that consumption will grow as soon as business confidence grows but the larger companies also state that relaxation of health and other measures would be dangerous to the public welfare.

George Hogg, president Guaranteed Pure Milk Co., Montreal, answered questions of Mr. Mullin, M.P., who feels that the advantages of pasteurization are greatly over-rated, by saying that he would not want to be in the dairy industry without the protection of pasteurization. In support of this he told instances of how promising companies had been entirely ruined before pasteurization days by outbreaks of typhoid fever and other diseases along their route. Pasteurization is therefore a protection to the company as well as to the community.

Large Companies Deal Fairly

Producers expressed the opinion at the investigation that the large companies are disposed to treat producers fairly and to abide by arrangements made. For instance, in Montreal there are more than 400 distributors and only four large companies. There are about 35 pasteurizing plants so that means that more than 365 dealers are simply distributors without machinery or equipment of any kind beyond delivery rigs and that they are interested in getting the cheapest source of supply possible. Trucks go out into the country, collect surplus milk otherwise unsaleable as a beverage and bring it in to the city from which it had been excluded, to be processed by small pasteurizing plants and this is sold to some chain store companies and to the retail trade. That limits again the amounts taken by the large companies at higher prices agreed on with producers and thus increases the surplus available for the bootleggers of milk. They are called "bootleggers" not because their operations are illegal but because they do not conform to the contract arrangements between producers and distributors.

Sympathetic With Producer

The four large distributing companies in Montreal are The Borden Co., its subsidiary, the J. J. Joubert Co., the Elmhurst Co., which is a subsidiary of Eastern Dairies, Ltd., and the Guaranteed Pure Milk Co. They sit in with the Montreal Milk Producers Association, which has 2,000 members within its organization and represents about two-thirds of the milk supply of Montreal, and from time to time a price is fixed for milk sold by the producer.

Representatives of these four companies, under questioning at Ottawa, stated that they thought the producer is getting too little at present, that the companies desire the producer to be well treated in order that a regular, dependable supply of good milk can always be obtained, and that competitive conditions in Montreal had forced the retail price down to nine cents a quart and therefore forced distributors to make reductions in the amounts paid to producers except in the case of their last reduction of one cent a quart.

Companies were losing money under present conditions, and although they were delaying action as long as possible they admitted that there would have to be further reductions to producers near Montreal if there did not come a change in the situation.

Is Matter For Farmers

Executives of these companies and of some smaller companies as well expressed the opinion that the whole question of price to farmers was up to the farmers themselves. If they could make their organization of the industry complete so that every shipper was a member of the Montreal Producers Association and lived up to the agreement made, then the price situation would adjust itself. They thought that government interference would be a mistake and they did not agree that the Manitoba experiment was being a success.

"Surpluses" Determine Price

Peter D. McArthur, president Montreal Milk Producers Co-operative Association, stated that the association was a bargaining association without power because the question of surpluses in the last three years had entered into every price arrangement made between producers and distributors.

The distributor had come into every meeting with the statement that he was being offered large supplies of milk at lower prices than the contract price. That was probably true, and the trucks which went out into the country made matters worse because they did not want half-loads and went actively out into byways looking for enough milk to fill up with. Farmers, who had been selling milk to cheese and butter factories, wanted to sell in the city for more money, if possible, and the city distributors insisted that they must pay for surplus milk at cheese and butter prices if they were to take more than was needed for beverage purposes of the production of their regular suppliers. Thus they would pay for milk sold as beverage at contract prices and the remainder at a much lower price.

For instance, a shipper to a Montreal dairy company in January, 1931, got a net return of $2.27 per 100 pounds delivered to the railway station in Montreal because he had sent a 13 per cent surplus when the contract price was $2.40. In January, 1932, the contract price was $1.70, the surplus 22 per cent and the net price to the shipper $1.60; in January, 1933, the contract price was $1.60, the surplus 29 per cent and the net price $1.47 per 100 pounds. The price is now $1.35 per 100 pounds as it was during seven Summer and Fall months of 1932 when the monthly net to shippers went all the way from $1.19 to $1.30 according to the size of the surplus, and freight at about 25 cents per 100 pounds had to come from this.

All this shows that the large dairy companies, in whose securities the public is chiefly interested, have a major problem to deal with. Dairy Corp. of Canada, which did not get its financing completed before these surpluses and keen competition from large numbers of small dealers arose, has had to ask a year's grace in payment of bond interest and Eastern Dairies, Silverwood's and other companies have had to reduce or defer dividends altogether. The last move in Montreal shows that for the time-being in that city, companies are getting along without profits at all. (This does not include Silverwood's which is not in the business in Montreal).

Advantages of Large Companies

What about the future? Investigations by both Dominion and Province are showing that the large companies have certain advantages which make for permanence in the industry:

First, they are the best and safest markets for milk and play the game most squarely with the producers, who recognize that fact, and this means that in times of scarcity they will have the first and best call on supplies.

Second, they have an advantage as retailers because they take the most care to secure good supplies and even pay a premium for butter content above 3.5 per cent of butter fat so that their milk will always show an edge over sporadic competition.

Third, their complete delivery organizations ensure milk getting to customers fresher than by any other means; and

Fourth, the superior repute of their product makes even chain store competitors anxious to get supplies from them as likely to sell better.

Problems Not Yet Solved

On the other side one must recognize that as long as farmers are helpless to control the volume of milk moving in on Montreal and other Canadian cities from day to day, the resulting keen competition makes necessary:

First, cutting costs wherever possible;

Second, increasing effort to get volume of distribution as large companies must have volume to keep costs per quart low;

Third, using as much surplus milk at current low prices as possible to make butter, cheese and cream in order that there will be less of this milk going to competitors at cheap prices.

It is apparent that if distribution were in the hands of a limited number of companies, if zoning were possible (and most distributors expressed the opinion that it is not) so that there would be one delivery in one district instead of a number of deliveries and if "feature" sales for advertising purposes at chain and grocery stores were not permitted, there could be a lessening of costs and a higher price to producers without an increase to consumers. Many argue that marketing of milk should be a monopoly to cut costs.

Government Interference Deplored

The demand, however, that the milk business should be made a public utility and that a commission should set prices for producer and consumer is regarded with mixed feelings. In New York City principal operators are quoted as not anticipating any adverse effects from the appointment of a Milk Control Board of three members but at Ottawa, Montreal operators stated that they felt that Winnipeg subsidiaries were operating under unfair conditions because of fixing of prices. In the end, it is probable that the milk business under such supervision might get to the point where monopolies would be regarded as best because allowing the closest supervision and the lowest costs in spread. Individual preferences as to milk sources and qualities would be more or less disregarded under such a plan. It does not dispose of surpluses and in so far as it raised prices to farmers it would increase them.

Low Prices Are Corrective

If foreign demand for Canadian butter and cheese grows so that milk for such a purpose commands a better price there would come a distinct lessening of economic pressure. If dairy farmers see that when cows give much less than 8,000 pounds annual yield they are working for the cows instead of the cows working for their owners, that would lead eventually to an improvement in the situation. If consumers begin to drink more, that will help more than anything else.

In the years of increasing demand to 1930 dairy companies grew in financial strength and importance and that has been true to a certain extent as well of the dairy farmers who put most brain and intelligence into their work.

The two must advance together, and therefore investors have a real concern in seeing the present unsatisfactory situation relieved. Relieved it eventually will be by the hard process of elimination of weaker dairy farmers and weaker dealers.

At the moment the bankruptcy from time to time of smaller dealers is another source of loss to producers because generally these dealers fail with large sums owing to farmers. Solvency of companies is of major importance to dairy farmers and the most businesslike producers see that. Large salaries to executives and large dividends would under the circumstances, however, be regarded as unfair. They would also under present conditions be impossible. Huge profits by distributors cannot long continue if producers get no profits. High retail prices invite competition as surely as the sun rises. The present low prices by the same token are exerting a corrective influence on the tendency to sell surplus milk at cost or less than cost to the farmers. One problem is to let many such farmers know their costs and so stiffen their backs against sales at uneconomic levels against their own eventual interests.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

McWatters Gold Mines

We should be pleased if you would furnish us with a report on McWatters Gold Mines.

McWatters Gold Mines was incorporated late last year to develop one of the most interesting gold finds made in recent years in the northwestern Quebec area. The company was formed by Prospectors Airways, Ltd., which controls the company. It is being financed by Ventures Ltd., and Huronian Mining & Finance Co., the principal shareholders in Prospectors Airways. Surface work was of an encouraging nature and work is now directed at sinking a shaft and opening up the property. At the present time the best that can be said is that it is an interesting prospect in an interesting geological area, but that a great deal more work will have to be done to determine its importance. The work is being directed by experienced mining men, and the property is assured of speedy, intelligent development.

Macassa Gold Mines

Will you kindly give me some information regarding Macassa Gold Mines?

Macassa Gold Mines is developing a prospect immediately west of the most westerly producer in the Kirkland Lake Camp—currently the largest gold producing camp in Ontario. The company has extensive holdings which embrace some 4,500 ft. along the main break of the producing zone which provides ample ground for prospecting. A development plan started nearly two years ago included the sinking of a shaft to the 2,500 ft. level. Work since that time has been progressing steadily and while some commercial ore shoots have been found, no estimate of ore reserves has been made or ore developed that would mark the property as a profitable mine. The company has plans under way for installing a 150-ton mill this summer.

Owing to the size of the property and its location it must be considered in the nature of a geological bet and only more extensive development will determine its potentialities. The company is managed by men of ability who are highly regarded in the mining profession, but as an investment it carries all the risks and potentialities of an unproven property.

Teck-Hughes Gold Mines

Please advise me regarding safety of an investment in Teck-Hughes. I am holding about 400 shares which average me $5.50 per share and I cannot afford to risk a loss. Is it better to get out at any price or is it safe for another year.

Teck-Hughes Gold Mines ended the most successful year in its history on August 31, last, with earnings of about 77 cents per share against dividend requirements of 60 cents per share. The present recovery without exchange compensation hardly covers dividend requirements.

The problem that has concerned Teck-Hughes shareholders in past months is the question of the persistence of ore at depth. During the latter part of 1931 it was learned that several lean horizons had been encountered that were far from being up to the mine's average in tonnage and grade. This precipitated an intensive development programme at depth which is now well advanced. This programme has met with some success, but has not confirmed the existence of the massive ore bodies that have characterized the upper levels. Geological conditions remain favorable and conducive to ore deposits. Indications are that the company has sufficient ore for its immediate requirements, but a substantially lower grade than has been treated in the past. Earnings, therefore, may be expected to be down unless bolstered by exchange compensation. The price of the shares and the yield in comparison with other shares are reflecting this uncertainty in the company's future earnings. The company enjoys excellent management and is now looking about for new properties of merit. It has acquired two properties in Quebec which are now being prospected in the hope that they will have mine-making importance.

Stadacona Rouyn Mines

I would appreciate your opinion and suggestion regarding Stadacona Rouyn shares as a speculation to hold for five or ten years at the low price in today's market. I hold along with other gold stocks quite a large number of these shares, bought in the hope of speculative increase.

Stadacona-Rouyn Mines has some interesting groups of properties, but principal interest centres about its holdings in the Pelletier Lake area of Rouyn township, Quebec. Considerable encouragement has been met with in the development of this property, but the finances have always been a problem.

The company has passed through one reorganization and is now endeavoring to obtain funds in England to finance further work. The officials' ability to obtain funds is the important question at the present juncture. As so often happens, many worthy prospects turn sour following repeated attempts to finance. There are some very good people connected with the organization, but at the present time there is little to inspire the investor that it will enjoy greater financial success in the future than it has in the past.

Bloom Lake Con. Mines

Could you supply me with information concerning the reliability and financial status of the Bloom Lake Consolidated Mines? I have written to the department of mines of Ontario but they can give me practically no information later than 1924. Do you not have a Blue Sky or securities department in Canada which authorizes the sale of securities and which makes some investigation before permission is granted for the sale of the securities?

I am anxious to get all the data I can on this company, and shall appreciate very much whatever information you can send me.

Bloom Lake Consolidated Mines was incorporated in 1927 as a merger of several properties, principally in the Matachewan area of Ontario. Since that time the company's chief concern has been in raising money in order to conduct development work. About two years ago renewed interest in the Matachewan area was stimulated by the discovery of the Ashley property now in production. Since that time promoters have been busy basking in the initial success of this property.

On a couple of groups of claims held by Bloom Lake a limited amount of work has been performed, but nothing has been developed that would define the outlook for the property. Officials of the company are not experienced mining men and at the present time the company has no funds of importance or assurance of raising any.

Enquiries

Abitibi Bonds

As a regular subscriber to the "Post" I would appreciate your advice in regard to Abitibi bonds.

Do you not think they would be an excellent buy at present prices, to hold for future appreciation or interest payments? Do you not think that present quotations are about rock bottom, and that in view of the receivers' recent statement any reorganization of the financial structure will provide for resumption of interest payments, and consequent enhancement of bond values?

I am an Abitibi employee myself, and have faith in the future of the company in spite of the present bad mess it is in, but would like to know what the actual ratio is of bond issue to sound assets. Can you give me the total value of all property assets—not including timber leases and other doubtful assets listed, based on the Receivers latest valuation? Please also state their total liabilities outside of bonded indebtedness, and give a summary of their capital structure, including total bond issues, preferred and common stock issues.

The Financial Post reads the statement of the receiver of Abitibi Power and Paper Company somewhat differently from you. Before there can be resumption of interest payments and consequent enhancement of bond values as referred to by you, it seems to us that the company will desire to get rid, in the best way possible, of its higher cost mills and of the expensive contracts for power which go with them. If they can cut off mill after mill which under present conditions cannot go into profitable operation, it would probably be better for the future. Nor can we talk confidently of eventual resumption of bond interest until reorganization proposals are before us. Suppose that bondholders are asked to accept an income bond or junior stock in exchange for bonds.

One cannot expect banks in the future to finance operations of high cost mills. Cost of newsprint is very much lower this year than last and there is keen competition for available business. It is true that when surplus stocks of higher cost mills have been disposed of either through deterioration, or through being used up, the bargaining position of newsprint mills will be improved. When Abitibi can go into full production at its low cost mills only, it should give a good account of itself. Only then will one be able really to see clearly whether bond interest on the present basis can be resumed or whether there may have to be some reorganization first.

Your faith, as an Abitibi employee, in the company, is a decided point in its favor. Its troubles derive from over-confident financing for six years back in the way of wholesale mergers and acceptance of huge contingent liabilities and so far as we can see individual mills of the Abitibi Company have been ably operated. So has the company as a whole if one excepts the merging financing and guaranteeing. It will be difficult for us to give the actual ratio of bond issue to sound assets, because, even with the eliminations by the receiver, it is evident that in the future still more properties may have to be written off.

You will note that the receiver, G. T. Clarkson, appraises assets, after deduction of reserves and using book values, at a total of $116,802,551 except for $1,105,301 payable in priority to claims of bondholders. The principal and interest of the five per cent bonds, exceeding $50,000,000, is the principal liability. Mr. Clarkson states that it is impossible to appraise at present what the realizable values of the properties may be, but he says that having regard for existing conditions and present earning capacity, it is believed that in the aggregate they are substantially below the book cost as set out. If we go further and eliminate all the properties which are doubtful because of the heavy commitments of Abitibi, the assets applicable to the bonds may be worth under present conditions much nearer $30,000.000 than $50,000,000.

As the most realizable of the current assets are pledged to bankers, it is evident that liquidation under present conditions might not bring even this amount. There are few concerns, even the most powerful, who would like to purchase in the newsprint industry until conditions are immensely improved.

A hold over some years and the coming of an active business period would make an immense difference. If the newspapers under the spur of advertising start putting out large editions again, a number of mills will get into more active production.

The prospects at present seem to be that a lot of high cost competition in Canada will be eliminated under the present bankruptcy conditions, but that further competition may develop in the southern States and in Europe. However, the best mills should compete well and if Abitibi gives a good account of itself under these conditions the situation as to the bonds or any security given in exchange for them would be improved.

Saskatchewan Bonds

Would you please let me know whether you consider the purchase of the Province of Saskatchewan 6 per cent bonds, maturing 1957, at current market quotations, a wise and safe investment at the present time?

The advisability of investing in Province of Saskatchewan six per cent bonds, due 1957, would largely depend upon the extent of your other investments. Saskatchewan bonds are not particularly marketable at this time and it would be desirable to have a back log of Dominion of Canada, or Dominion of Canada guaranteed, obligations before investing in any of the western provincial bonds.

Saskatchewan has made very good progress in achieving a balanced budget under difficult circumstances. For this, the province is to be commended and the position of bondholders will be strengthened thereby in the future. The province, however, has substantial amount of bank loans and advances from the Dominion Government which must eventually be repaid. This liability the province cannot fund by selling its own bonds at the present time. It is largely on account of this situation that six per cent bonds are selling so much under par value. Default by the province is not seriously considered in investment circles at the present time. Saskatchewan has no maturing obligations to meet in the next two years with the exception of its floating debt.

Famous Players

I hold a bond of Famous Players 6½ per cent, 1948. Do you know if interest will be passed due to the bad standing of Paramount Publix?

Famous Players paid its interest due April 1, 1933, and the bonds are therefore in good standing for another six months.

Events in the moving picture industry remain very disturbed and Famous Players is working in Canada just as Paramount is in the United States to get its costs down considerably. Many of its rentals have been reviewed and lower rates obtain. There have been several reductions in salaries throughout the organization.

Taxes, however, have been mounting. Even under the present adverse circumstances the company has a profitable experience with occasional films which strike the public's imagination. The type of films offered has greatly improved but public patronage is still far short of what the company needs to make its future progress assured. Next summer will probably be a severe testing period.

Lake St. John

What is the situation in Lake St. John Power and Paper Co.? I understand bond interest has been defaulted. Has a reorganization plan been proposed?

Interest on bonds and debentures of Lake St. John Power and Paper Co., due August 1, 1932, has not been paid. Committees have been formed by both bondholders and debentures shareholders, and both bodies will co-operate with the National Trust Co., the trustee, to investigate the company's affairs, and suggestions looking toward a reorganization. As yet, no plan has been put forward.

Plans Diversification

I have $15,000 to invest and have been considering diversifying my investment by purchase of an annuity from the New York Life; purchase of a savings certificate issued by Investors Syndicate of Minneapolis, and also shares of Canadian Investment Fund Ltd. What do you think of this plan?

Your plan to diversify an investment of $15,000 between Investors Syndicate of Minneapolis, Canadian Investment Fund Ltd., and an annuity in the New York Life makes little provision for liquidity. The loan value of an Investors Syndicate savings certificate is negligible in the first few years and the contract must be carried out over the whole term to be profitable. This means that you are continually paying out money over a long period of years during which you receive no immediate income.

While Canadian Investment Fund Ltd. shareholders may have their stocks redeemed at liquidating value, this will only be done when there is a surplus available for such a purpose. From the annuity of course, you would receive a definite income. You give no information regarding your other investments but if you do not already hold a fair proportion of high grade bonds we would suggest that part of your $15,000 be invested in such security for the sake of potential liquidity.

Canadian Investment Fund Ltd., has been started at what appeared to be a good time to form an investment trust, that is, at the bottom of the decline in stock prices rather than at the top of a boom and the company has good sponsorship. Management of the company will presumably be handled from New York by Calvin Bullock. Mr. Bullock has had a better than average experience in the management of investment trusts. There are no particular restrictions upon investments that may be made and this may or may not be a good thing. The fees payable to directors appear to be high.

Montreal Tramways

I notice that bonds of Montreal Tramways are selling at relatively low levels. What is the explanation of this situation; are present conditions in the company satisfactory?

Passengers carried by Montreal Tramways declined last year and while savings were effected in operations, it was necessary for the Montreal Tramways Commission to draw upon reserves to the extent of $737,070 in order to cover all charges. Under the contract between the Tramways Co. and the city, the Montreal Tramways Commission obligates itself to pay to the company a return of 6 per cent on the company's capital value, working capital, etc., and $500,000 as rental to the city. If earnings are not sufficient to cover these charges the Commission has the authority to increase fares. Earnings this year are even less than 1932, but in view of current conditions opinion holds that the Commission will not increase fares. This condition has found reflection in prices for the bonds. Decline in the bonds may also be attributed to general financial market conditions.

Jamaica Service

As a subscriber to The Financial Post I would be grateful for some information on Jamaica Public Service. Is this company doing well and are dividends on the stock fairly safe?

Though earnings of Jamaica Public Service in 1932 showed a decline from the previous year, it is understood that profits were sufficient to cover all charges and dividends of $1 paid on the common stock. The company is the leading utility in Jamaica and in addition to supplying power and light in Kingston and surrounding territory, it also operates a tramways system. Competition from bus lines has cut into tramways earnings in recent years but we are informed that competition has now been regulated and the tram division's revenue is showing improvement. In viewing the future, it should be remembered that English currency is in use in Jamaica which places a burden on the company in making bond interest payments and paying dividends in Canada. Just prior to Great Britain's departure from the gold standard, the company established a substantial credit in New York. Borrowings from Jamaica were made at par of exchange while the subsequent premium on New York funds have proved a further advantage to the company in making payments in Canada. It is thought that this reserve will be sufficient to take care of payments during the current year, but after that date rates of exchange will have a substantial bearing on dividend distribution.

Dominion Bridge

Is there any chance of an early improvement in the affairs of Dominion Bridge Co.? I hold some of the shares and am somewhat anxious regarding the future.

Until construction shows a definite upward turn, earnings of Dominion Bridge Co. are likely to remain at a relatively low level. Building today is at a very low ebb and indications do not point to an early improvement in the situation.

The company's strong cash position is noteworthy; it remains to be seen, however, whether dividends will be continued on their present basis. The company is the leader in the structural steel industry, but activity in this field may be curtailed for a considerable period.

South. Canada Power

Among my holdings are some preferred shares of Southern Canada Power Co. purchased around $90. How is the company doing this year and what is its outlook?

In the first five months of its current fiscal year, net earnings of Southern Canada Power Company showed but a marginal decline. The company serves a well-industrialized territory where manufacturing activity has been fairly well sustained. Earnings in the fiscal year ended September 30, 1932, were equal to $11.33 a share on the preferred stock, and indications are that dividends have been earned to date. The company is continually seeking to secure new industries in its territory and has had considerable success in this policy in the past.

Increase Tomato Acreage

Approximately 700 acres of canning tomatoes will be grown at Kelowna this year, which is about double last year's acreage. About 4,000 tons have already been contracted for at $10 per ton, this being the same price as last year.

Our 1933 Booklet
"Canadian Government Loans, Production Statistics, Population, Area and Resources of the Provinces" is now available.
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A Purely Mutual Company
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The Huron & Erie MORTGAGE CORPORATION

Bank Chat on Current Topics

Bankers and Economists

BANKERS and economists often disagree. Their disagreements usually get more publicity than their agreements, with the result that they appear to be constantly at loggerheads.

Many Canadian bankers are keen students of economics, particularly as applied to banking and financial problems. British bankers have long been noted for their interest in economics, and some of them are among the leading thinkers in that country on the abstract phases of the "dismal science."

We recently came across the opinion of the Hon. R. H. Brand on this topic. Mr. Brand is a director of Lloyd's Bank Ltd., one of the British "Big Five," and is a managing director of the private banking firm of Lazard Bros. & Co. He was also a member of the Imperial Munitions Board of Canada from 1915 to 1918. His view conveys a backhand compliment to bankers or economists, or both. We can't decide. Here's the way he put it:

"I am a follower of the economists; perhaps a good many bankers are not; but I myself feel that the economists have a great deal to teach bankers. On the other hand bankers perhaps sometimes are maligned. I think they are more clever than some people think they are, since they appear to have invented a system which they work, to some extent without understanding it, and a system which even the economists find it very difficult to explain to them. So that they work rather like bees making honey: they do something, but they do not always understand what they are doing."

* * *

Gold Cover for Notes

IS THE belief in a gold cover for note issues a fallacy? Economists think it is. They are inclined to place it in the same category as the old beliefs that night air is dangerous, that bleeding cures a fever, and that tomatoes cause cancer.

Canada has "sound" money. Some people, including Rt. Hon. R. B. Bennett, seem to think that this is at least partly due to the fact that we still have a 40 per cent gold cover for our Dominion and bank notes. It isn't. We could legally expand our note issues as far as we wished without adding to our gold stocks. We could do it even when we were on a gold standard of a sort. In fact we did do it, through the Finance Act.

The real limitation of our note issues is the management of currency by the banks and by the Dominion Government. Actually we have had sound money both off and on a gold standard through currency management, although this management may have been more or less unconscious.

Gold should only be required, economists state, to settle the maximum probable external outward balance of payments which may occur before measures can be adopted to correct the direction of the gold flow. If the public would only realize this, the world would have plenty of gold. It's a matter of education of the public and of central banks.

* * *

Staff Changes

The Royal Bank of Canada has made the following change in staff:

R. S. PATTERSON, formerly of the supervisor's department, Toronto, to be accountant in the supervisor's department, London, Ont.

G. M. BELEY, formerly accountant at London, Ont., to be manager at Main and Sherman branch, Hamilton, Ont.

The Canadian Bank of Commerce announced the following changes in staff appointments:

G. G. AIKMAN, formerly manager at Huntingdon, Que., to be manager at Crescent and St. Catherines branch, Montreal.

F. J. MONTLE, formerly accountant at Sherbrooke, Que., to be manager at Huntingdon, Que.

The Bank of Nova Scotia announces the following changes

A. C. ALLEN to be manager at Kingston, Ont.

S. C. STEVENS to be manager at Bank and Gladstone branch, Ottawa.

C. P. JONES to be manager at Cobourg, Ont.

A. RIDEOUT to be accountant at St. John's, Newfoundland.

K. R. ELLIOTT to be accountant at Kitchener, Ont.

Bank of Montreal announces the following changes

A. D. DEGRANDPRE, formerly manager at Masson St. and Fifth Ave. branch, Montreal, to be manager at Bercy and Ontario, Montreal.

H. V. CULLINAN, formerly manager at Mount Royal and St. Lawrence, Montreal, to be manager at Masson St. and Fifth Ave. branch, Montreal.

M. BARIL, formerly manager at Bercy and Ontario, Montreal, to be manager at Mount Royal and St. Lawrence, Montreal.

F. A. PAIN, formerly manager at Davidson, Sask., to be manager at Okotoks, Alta.

L. W. TOWNSEND of head office to be manager of staff department at head office, Montreal.

Weekly Bank Clearings

	Apr. 13 1933 $	Change year ago %	Apr. 6 1933 $
Toronto	66,768,939	+4.8	80,460,143
Montreal	61,394,965	—4.5	67,470,704
Halifax	1,675,045	—23.0	2,054,569
Saint John	1,220,798	—28.0	1,508,326
Moncton	472,220	—32.0	598,055
Sherbrooke	476,128	—14.8	566,901
Quebec	2,997,855	—16.7	4,295,154
Ottawa	3,358,268	—31.3	3,845,685
Kingston	396,048	—23.6	504,598
Peterboro'	459,970	—13.2	547,164
Hamilton	2,826,628	—19.3	3,743,633
Kitchener	740,088	—9.0	854,909
Brantford	603,805	—22.9	718,232
London	1,766,390	—20.8	2,466,753
Chatham	352,299	—22.9	411,014
Windsor	1,354,853	—24.6	1,889,108
Sarnia	318,210	—7.7	309,135
Sudbury	425,654	—8.0	451,681
Fort William	429,614	—19.4	501,281
Winnipeg	27,020,085	—30.0	31,538,021
Brandon	286,577	—20.0	298,580
Regina	2,822,824	—5.3	3,744,548
Moose Jaw	428,061	—6.3	495,852
Saskatoon	960,355	—14.4	1,164,705
Pr. Albert	206,402	—14.0	247,697
Edmonton	3,040,043	—17.3	3,817,055
Calgary	4,157,677	—8.7	4,910,224
Medicine Hat	186,185	—18.2	229,097
Lethbridge	393,880	—9.4	316,902
N. W'minster	296,026	—14.5	414,824
Vancouver	10,679,263	—14.8	11,102,158
Victoria	1,202,058	—10.3	1,290,021

Current Events in Banking World

Revaluation of Gold Under Consideration

Would Raise Price Levels — Would be Compromise With Inflationists — France Did It in 1928 and Great Britain in 1925 With Bad Results

Revaluation of gold is now being seriously considered by both Great Britain and the United States. It is regarded with more respect than mere currency inflation. It offers inflation, but in a restricted form.

A higher world price level is urgently needed. The Ottawa Conference said so. British economists agree. The President of the United States and most of its citizens want it. Most Canadians are also convinced it would be good. The Prince of Wales is of the same opinion. The question is how to get it without causing reactions which would ultimately be extremely harmful to the body economic.

Some form of currency and credit inflation, more conservatively termed expansion, is believed by economists to provide a large part of the answer. Many citizens, including Miss Agnes Macphail and the C. C. F. agree emphatically. But some observers are of the opinion that everything will come out all right if matters are left to adjust themselves.

Revaluation is Compromise

The value of the revaluation of gold schemes is that they offer comfort to both inflationists and "sound" money advocates. Without departing from the anchor of gold entirely, the hawser would be lengthened. But it might be advisable that this additional rope should be paid out by more than a single ship of state. The fleet of nations should act more or less uniformly.

Ramsay MacDonald and Franklin D. Roosevelt will shortly put their heads together in Washington on this question, among others. Some epochal results are expected from the conversations between these two men. Mr. Roosevelt has asked dozens of authorities as to the probable effects of revaluation of gold, and this has caused rumors that he favors such a plan. It has also been pointed out that calling back of gold from the public in the United States removes one obstacle to revaluation.

In Canada, legislation has just been passed officially allowing the Dominion to refuse redemption of notes in gold. Whether or not this was necessary, it strengthens the legality of the government's position in the event of international agreement on revaluation. R. B. Bennett, as well as Mr. MacDonald, is going to Washington. But all these factors still leave the possibility of definite international action to revalue gold in a nebulous state.

Salter's Suggestions

Sir Arthur Salter in his recent book, "Recovery," states that central banks can adjust international gold flow over the short term. But, he says, a continuing tendency of gold to fall behind might first be remedied by reduction of the legal minima gold reserves. In case of continuing and increasing gold scarcity, reduction of reserve ratios would not suffice. "If all the principal countries were determined to maintain stability, this could be found in simultaneous currency devaluation; that is, a simultaneous and equal percentage change in the gold content of the standard of the different currencies."

Canada's chief advocate of reduction of the gold content of currencies, is the world-famous humorist and economist, Stephen Leacock of McGill University. He says we could do it beneficially and alone. He says that a reduction of the gold content of our dollar would bring a rise in prices and a stimulation of business. He continues:

"But the stimulus could not last... It wears out when things come to a new level.

"But it gives us a precious respite; time to look around, time to act.

"What is needed next is something to start up business in the real sense, with employment, activity, profit. This too can be found. It can be discovered by invoking, not by deriding, the eagerness of private interest. What is wanted here is public governmental work, carried out on a basis of profit."

The profitable operation of governmental work is suggested by Mr. Leacock, apparently in his rôle as an economist, not as a humorist.

Annalist Dubious

The New York Annalist states of gold revaluation and other inflationary schemes:

"Before we plunge into any of these schemes, it ought to be fairly understood that calling them inflationary will not make them so. They might not succeed in raising prices....

"The only way in which commodity prices could be so permanently raised by artificial means would be for the Treasury to issue irredeemable paper money in payment for its debts. No one, apparently, wants that, for obvious reasons."

The statements above would appear to deny that there is any effective form of inflation but issue of irredeemable paper. Economists are emphatic in stating that such a notion is false. They say that inflation (or expansion) of credit or currency or both will definitely raise prices, or will sustain them while they are falling elsewhere, as in Great Britain in the past year.

Roosevelt is Considering

Recents reports from Washington indicate that Mr. Roosevelt and his administration are considering adoption of a scheme very similar to that suggested by Stephen Leacock. It is said to consist of (1) a desire to get international agreement to stabilize currencies at lower levels through alteration of gold content and (2) encouragement of private industry accompanied by a programme of public works.

Dr. Donald M. Marvin, economist of the Royal Bank of Canada, recently told a group of mining men in Ottawa that the only chance of a return to the gold standard was a rise in prices in the countries now on the standard. Sponsors of gold revaluation would doubtless remark that the same result can be achieved by lowering the standard, thus automatically raising prices. To be effective, revaluation of gold would have to be accompanied by a return to the gold standard. In the opinion of most economists this return to gold, on some basis, is desirable so that currency fluctuations may be eliminated and international trade stimulated.

Price Level is Problem

There is one great problem in an international return to the gold standard and in an international revaluation of gold. The problem is striking a workable balance between the price levels of the various countries involved. If this were not done, the consequences might be chaotic. In fact some economists see our present ills as largely due to poor calculations on this point when Great Britain returned to gold in 1925 and when France did so in 1928.

J. M. Keynes once wrote a book called "The Economic Consequences of Mr. Churchill," which forecast with surprising accuracy the outcome of the British action of 1925. He predicted a deflation of credit and prices in Great Britain in order to maintain the $4.86 standard of sterling. He predicted its stifling effect on British industry. If Mr. Keynes was correct, and there is no good reason to suppose he was not, this was the prime factor in causing depression and unemployment to strike Great Britain long before it reached the rest of the world.

It should be observed here that sterling's return to gold at its prewar parity was just as much arbitrary valuation of gold as was the return of the franc to gold at 3.918 cents. Great Britain's price level had adjusted sterling to a lower level than $4.86 in the 11 years between 1914 and 1925. A return to gold might have been made with less disturbance in 1925, if it had been done by setting the gold content of the pound to correspond with its value on the foreign exchange markets.

French Return to Gold

The return of France to gold in 1928 was also unfortunately calculated, British economists and bankers believe. Unlike the pound, the resumption of gold closely corresponded with the foreign exchange value of the franc. But it is believed that this foreign exchange value was unduly low because of nervousness over the inflation in France. The price of the franc did not correspond to its internal purchasing power as did that of the pound.

Sir Henry Strakosch has given his view of the consequences as follows:

"I believe that France stabilized her currency at a point which was completely out of joint with world prices: that is to say, she stabilized her currency with the franc having an internal purchasing power largely in excess of her external purchasing power. That fact brought with it a necessary movement of gold into France in order to establish the equilibrium. Therefore, to the extent to which gold moved into France to establish the equilibrium....to that extent the gold flow is not a natural flow."

If this explanation is correct, the "maldistribution" of gold in the United States and France, which is believed to have had a major part in causing the tremendous decline in world prices, is due largely to miscalculated revaluation of gold in Great Britain and in France. This, then, might be a grave danger in revaluing gold without sufficient consideration.

Editor's Note—This is the third of a series of articles on the gold standard. The next will follow in an early issue.

Foreign Exchange

WEAKNESS in the United States dollar featured foreign exchange markets in the week ended April 17. This trend was due to rumors of inflationary policies in the United States, and caused strength in Canadian dollars, sterling, francs and other leading currencies.

The most pronounced weakness in United States dollars occurred on Saturday, April 15, when a bill for free coinage of silver in a 16 to 1 ratio with gold was about to come before the senate. Since then it has been defeated.

* * *

REDUCTION of the gold content of the dollar and remonetization of silver are being considered in the United States. As previously indicated in this column, an alteration of the gold content of sterling is a possibility. Canada, through recent legislation, is at least capable of following such a policy should it be deemed expedient.

President Roosevelt is said to be highly interested in the possible effects of lowering the gold content of the dollar. But this does not mean that he favors it.

FOREIGN EXCHANGE
New York Funds

	High (Premium) %	Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
Apr. 11	20 1-2	20 1-4	10 7-8	10 5-8
Apr. 12	20 9-16	20 1-4	10 13-16	10 5-8
Apr. 13	20 5-16	19	11 1-16	10 3-4
Apr. 14	......	......	11 1-8	10 15-16
Apr. 15	19 3-4	19	11 3-16	10 15-16
Apr. 17	......	......	11 5-16	11 1-8

STERLING, FRANCS AND LIRE
Close: Demand in New York

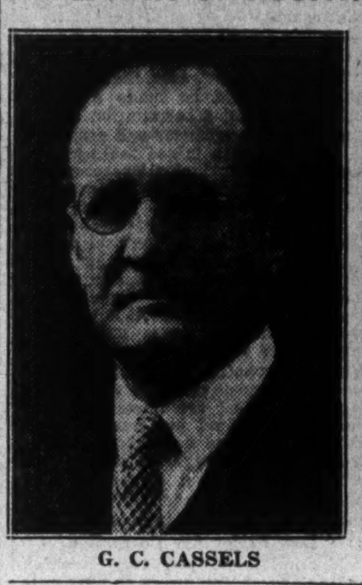
	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.526
Apr. 11	3.41 3-16	0.394 1-16	0.511 3-4
Apr. 12	3.41	0.394 5-16	0.512 1-4
Apr. 13	3.46 7-8	0.398 15-16	0.513 1-4
Apr. 14	....	....	....
Apr. 15	3.48 7-8	0.394 3-4	0.518 1-4
Apr. 17	3.45 3-8	0.394 15-16	0.517 1-4

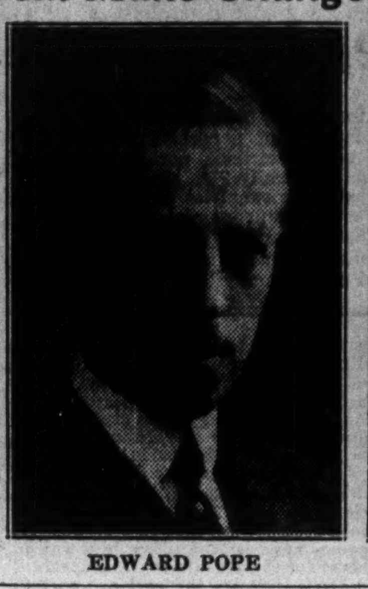
Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Apr. 11	4.10 1-2	0.0474	0.0616 3-4
Apr. 12	4.10 1-4	0.0474 3-4	0.0616 1-4
Apr. 13	4.11	0.0476	0.0615 1-4
Apr. 14	....	....	....
Apr. 15	4.15 1-2	0.0471 1-2	0.0617 3-4
Apr. 17	....	....	....

	Reichsmarks	Belga	Yen
Gold par	$0.238	$0.139	$0.498
Apr. 11	0.2835 1-2	0.1679 1-2	0.2555
Apr. 12	0.2858	0.1680	0.2555
Apr. 13	0.2856 1-2	0.1682	0.2560
Apr. 14	....	....	......
Apr. 15	0.2858 1-2	0.1682 1-2	0.2566
Apr. 17	....	....	......

Bank of Montreal Make Changes in Executive


G. C. CASSELS


EDWARD POPE

JAMES GARROW

MONTREAL BANK APPOINTS POPE TO LONDON, ENG.

Succeeds G. C. Cassels in Charge of London, Paris Offices

Edward Pope, manager of the Bank of Montreal at Halifax and superintendent of the Maritimes Provinces district, has been transferred to London, England, to supervise the London and Paris offices. He succeeds G. C. Cassels, assistant general manager of the bank, who has reached pension age and is retiring. James Garrow, manager of the staff department at head office, has been appointed to succeed Mr. Pope at Halifax.

Edward Pope is a native of Ottawa, and is a grandson of the late Hon. W. H. Pope, of Charlottetown, one of the Fathers of Confederation. He is the eldest son of the late Sir Joseph Pope, for many years Under Secretary of State for External Affairs for Canada, and is a grand-nephew of Hon. L. A. Taschereau, premier of Quebec.

Was in Paris Office

Mr. Pope is not new to foreign appointments. He was made assistant manager of the bank's Paris office in 1919 when it was opened. He was brought back to Canada in 1922 to be made manager of the St. Roch, Que., branch, from which he was sent to Halifax in 1929 to take over the positions which he is now leaving. He began his banking career with the Bank of Ottawa at Ottawa, and joined the Bank of Montreal there in 1905. Later he served the bank in various capacities in British Columbia, at head office, and again in Ottawa. Few bankers can boast an experience which has taken them from coast to coast in Canada and to Europe in the course of their work.

James Garrow is a son of the late Mr. Justice Garrow, of the Ontario Court of Appeal and a brother of Mr. Justice Charles Garrow of the High Court division of Ontario. He entered the service of the bank at Goderich, Ont., his native town, after completing his education at Goderich Collegiate Institute and Upper Canada College, Toronto. His early training was obtained in various branches throughout Ontario and in the Chicago branch. As accountant, he served in branches at Sherbrooke, Saskatoon, Edmonton and Halifax, with a period as secretary at head office. Then he became manager of the City Hall branch at London, Ont., following which, after a period of five years as inspector, he was, early in 1928, placed in charge of the staff department at Head office. He is chairman of the Montreal branch of the Overseas League.

Cassels' Distinguished Career

G. C. Cassels, who comes of a well-known Toronto family, has served the governments of Canada, Great Britain and India in advisory capacities, in addition to his service to the Bank of Montreal. He entered the service of the bank in Toronto in 1885, and later was transferred to the Halifax office.

For the past forty years he has served the bank outside Canada, first in New York and later in London. He has been manager of the bank's London office since 1914, and in 1918 was raised to the rank of assistant general manager of the bank, with supervision of the London and Paris offices. Shortly after the outbreak of the Great War, he was appointed as a member of the Committee on Currency and Foreign Exchanges formed under the auspices of the British Chancellor of the Exchequer, and in 1920 represented Canada at the International Financial Conference under the auspices of the League of Nations. He was made a Knight of Grace of the Order of St. John of Jerusalem for his work during the war as chairman of the London war committee of the Canadian Red Cross Society.

85-Year-Old Retired Banker Not Shocked by Earthquake

G. H. Balfour, formerly general manager of The Union Bank of Canada, recently celebrated his eighty-fifth birthday at La Jolla, Southern California, where he now resides. Mr. Balfour was formerly one of Winnipeg's well-known bankers. His son, Clarence C. Balfour, is accountant at Winnipeg with The Royal Bank of Canada which took over The Union Bank in 1925.

The recent California earthquake only caused a few slight tremors in La Jolla, and apparently did not inconvenience the 85 year old ex-banker. Mr. and Mrs. Balfour are to be in Winnipeg for a few months this summer, before returning to California.

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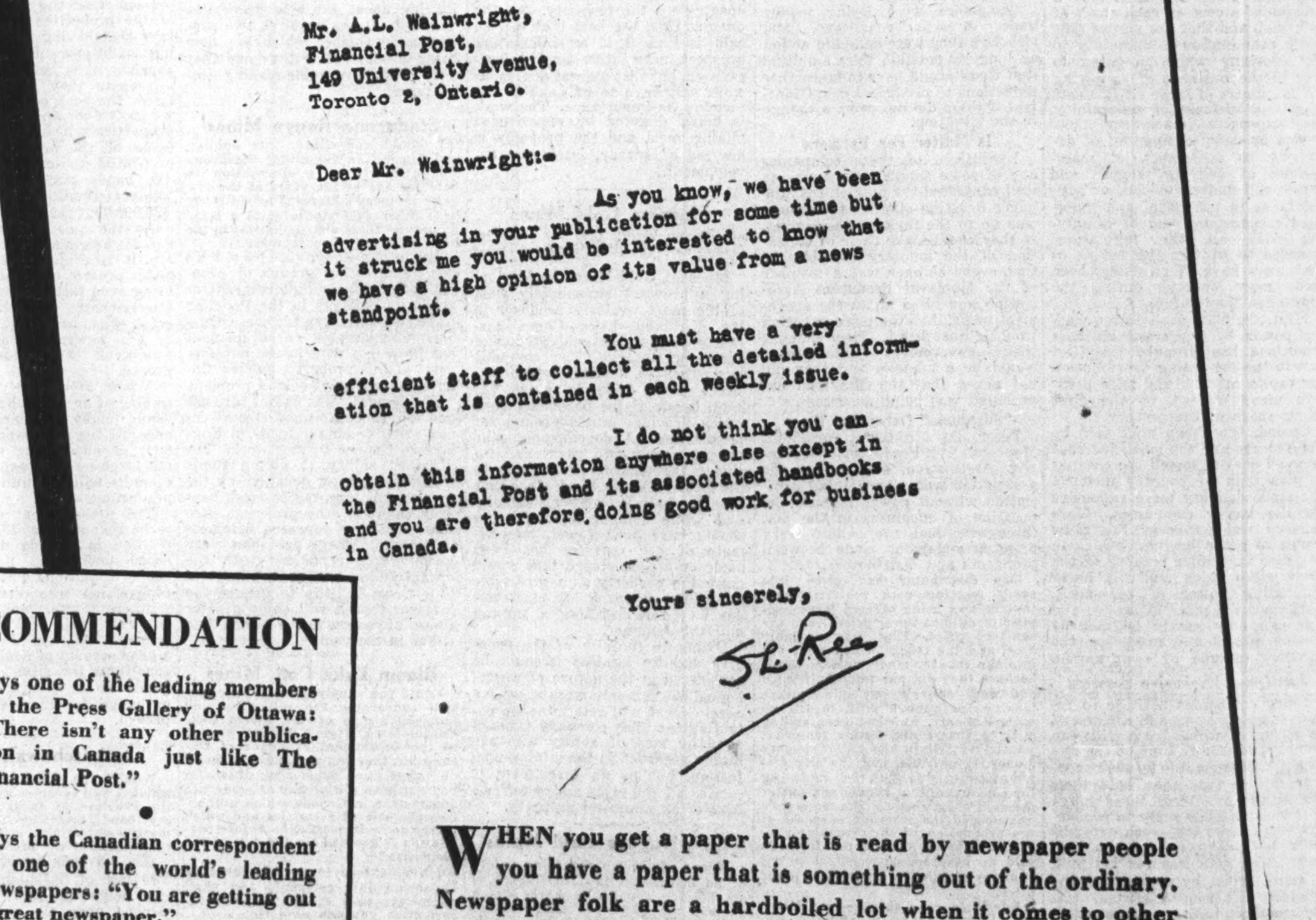
The Most Hardboiled Critics Agree on-this ....



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FORD OF CANADA 1932 NET LOSS WAS $5,206,737

Unit Sales Were 25,218 Compared With 30,980 in 1931

RESERVES LARGE

Carries Heavy Holdings of Government Bonds — Increasing Advances to Affiliated Companies

Net loss of Ford Motor Co. of Canada in 1932, after all charges for manufacturing, selling and general expenses, including depreciation, amounted to $5,206,737 as compared with $1,668,630 in 1931. In 1931 the operating earnings loss had been reduced by $283,873 to $1,384,757 on account of dividends received from affiliated companies. In that year, however, there were paid in dividends $955,376 which brought the deficit for the year to $2,380,133.

No dividends were paid in 1932 but an amount of $1,000,000 was transferred to reserve for investments in affiliated companies and for contingencies. As a result of this transfer and the year's loss, the surplus of $24,764,262 at the beginning of 1932 dropped to $18,557,526 by December 31.

General Income and Surplus Account, Years Ended Dec. 31

	1932	1931
	$	$
Loss from oper.†	5,206,736	1,668,630
Add: Affil. cos. divs. rec.	......	283,873
Net loss	5,206,736	1,384,757
Less appropriations: Dividends	......	995,376
Deficit for year	5,206,736	2,380,133
Add: Prev. surplus	24,764,262	28,436,965
Less: Tax adjustment	......	42,570
Trans. to res. for invest. in affil. cos. & cont.	1,000,000	1,250,000
Balance carried for'd	18,557,526	24,764,262

†After deduction of all charges for manufacturing, selling and general expenses, including depreciation.

*Loss.

Unit Sales Lower

Report to shareholders for the directors by W. R. Campbell, president, states that total sales and other income amounted to $17,168,770. The output for the year, including sales to affiliated companies, was 25,218 units as against 30,980 units in 1931.

Current assets dropped in the year from $27,174,310 to $23,108,679 and current liabilities increased from $492,228 to $566,758.

Working Capital

	1932	1931
	$	$
Current assets	23,108,679	27,174,310
Current liabilities	566,758	492,228
Working capital	22,541,921	26,682,082
Ratio	40.77—1	55.21—1

Affiliated Company Advances Gain

Decline of more than $4,000,000 in current assets was divided among the following items: cash dropped from $4,757,775 to $2,302,534 and inventories from $2,437,679 to $1,521,435; bonds issued or guaranteed by federal, provincial or municipal governments in Canada valued at not more than cost, dropped from $14,362,646 to $11,414,594; and interest accrued receivable fell from $164,852 to $122,008. At the beginning of 1932 sight drafts and open charge accounts, less reserve for doubtful debts, amounted to $119,840 and at the end of the year to $743,940. Customs drawbacks also increased from $361,355 to $547,102 and advances to affiliated companies from $4,970,163 to $6,457,065.

In current liabilities accounts payable and accrued expenses and payroll of $492,228 increased during the year to $566,758.

Large Reserves Carried

Capital stock of affiliated companies fully paid, is shown at $6,205,502. The auditor's certificate of correctness carries the modifying clause, "Subject to the value of the investments in affiliated companies."

Reserves include $18,256,683 for depreciation of plant and $4,250,000 for investment in affiliated companies and contingencies. A note to the balance sheet states that this reserve of $4,250,000 is sufficient to provide for full depreciation in market value of bonds, impairment of capital of affiliated companies and depreciation in foreign exchange, as at the end of 1932.

The item of advances to affiliated companies of $3,457,065 represents chiefly the value of materials sold to affiliated companies for the assembly and resale of Ford products and shows an increase of $1,486,906 as compared with 1931. Inventories show a reduction of $916,244. The capital stock of affiliated companies is shown at cost.

Plant accounts of $22,929,497 for home office and of $2,601,574 for branches include additions made during the year of $644,126. Depreciation allowances increased by $1,678,000 in 1932.

Dominion Securities Issues 1933 Handbook

Dominion Securities Corp. has just issued the 1933 edition of a handbook for investors and dealers in Canadian bonds which has set a standard for many years. This publication contains the particulars of all federal and provincial obligations and guaranteed issues outstanding with details of maturity, interest, rates, amounts outstanding and places of payment.

In addition the 37-page booklet contains a summary of Canadian bond flotations in the past five years; comparative financial statements of the provinces and data as to population, area, water power, trade, national wealth and transportation. A summary is also given of the Government of Newfoundland loans outstanding.

Publishers in States Use Less Newsprint

From Our Own Correspondent

MONTREAL. — Unsettled financial situation and its reaction on business generally, particularly the publishing business, is seen in the decline in newsprint consumption in the United States during February last. In that month over 100 publishers in the leading American cities reported consumption at 116,307 tons. This compares with 127,446 tons in the previous month and with 142,883 tons in February, 1932.

Even more striking evidence of the effect of the financial situation on the publishing business is seen in imports of newsprint into the United States. Purchases from abroad in February last totalled 94,908 tons. This compares with 130,917 in January, 1933, and 127,089 tons in February, 1933.

Crow's Nest Pass May Close Mines, Business is Down

Because Alberta coal is feeling increasingly competition of Alberta gas and foreign fuel oil, Crow's Nest Pass Coal Co. faces a possible shut down of its mining activities.

W. R. Wilson, president of the company, states that, unless conditions show a substantial improvement at once, a shut down will be necessary.

The company paid a dividend of $1.50 a share on December 1, 1932, to shareholders of record on November 10. No dividend has been paid since that time. Profits for the first half of 1931 where shown by a statement to be $28,798, almost as much as was earned in all of 1931. The third quarter earnings, before depreciation and depletion, amounted to $25,689.

The competition for a declining fuel market has apparently become stronger in the last six months.

HYDRO SECURITIES INCOME RECORDS SHARP DECREASE

Investment Portfolio Shows Heavy Depreciation from Cost

From Our Own Correspondent

MONTREAL.—Income of Hydro-Electric Securities Corp., investment trust originally sponsored by the late Alfred Lowenstein, showed a sharp drop in 1932. Total income was $948,530 compared with $3,019,931 in the previous year and after addition of extraordinary income, total income was $1,066,386 against $3,021,959 in 1931.

Net income after expenses was $973,429 compared with preferred dividend payments of $503,100. A dividend of 10 cents a share was paid on the common against a distribution of $1 a share on 1931 and after provision for directors' fees on a sharply reduced scale surplus for the year was $277,643.

Profit and Loss

Following is a comparison of profit and loss for the past two years:

	1932	1931
	$	$
Divid. & int. (cash)	845,609	1,830,752
Div. rec. (stk.)	102,920	1,189,179
Total ord. inc.	948,530	3,019,931
Extraordinary income:		
Other profits	117,855	†2,028
Total income	1,066,386	3,021,959
Exp., etc.	92,956	53,494
Net for div.	973,429	2,968,465
Pref. div.	503,100	1,000,000
Com. div.	147,639	1,476,393
*Directors' fees	45,047	150,880
Year's surplus	277,643	341,242
Prev. surp.	1,486,416	1,145,175
P. & L. bal.	1,764,059	1,486,417

*Previous year.

Balance sheet shows cash up $319,000 at $593,101 and accounts receivable slightly lower at $926,328. This figure includes a loan of $926,106 repayable in 1935. Investments show further heavy depreciation, market value at the year-end being $15,005,830 compared with $26,322,636 at the close of 1931. Book value of investments totals $53,061,764. Against this $26,808,895 was appropriated from common stock account in 1931 leaving a net total of $26,252,869. Market value of investments shows a deficiency of $2,472,,165 as compared with the book value less investment reserve of $8,696,393 and capital reserve of $78,481.

In liabilities initial redemption of a block of preferred is reflected. There is now outstanding $9,851,400 of 5 per cent preferred showing a redemption of $210,600 at a profit of $78,481 which was placed in capital reserve. Common stock is unchanged at $7,381,965.

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GOOD GAINS MADE BY ACADIA SUGAR DURING PAST YEAR

Preferred Dividend Arrears Reduced By 3% in 1932

From Our Own Correspondent

MONTREAL.—Net earnings of Acadia Sugar Refining Co. in 1932 were $715,973 compared with $634,394 in the previous year. After bond interest and depreciation, net profit was $276,604 against $184,324.

During the year dividends of 3 per cent were paid in arrears on the preferred stock in addition to the regular 6 per cent dividend, making a total distribution of 45 cents a share on the $5 par value preferred, compared with 35 cents a share paid in the previous year. After total preferred disbursements last year, profits were equal to 47 cents a share on the common stock. Preferred is now 20 per cent in dividend arrears.

Profit and Loss

Following is a comparison of profit and loss for the past two years:

Years Ended	Dec. 31, 1932	Jan. 2, 1932
	$	$
Net earnings	715,973	634,394
Less: Depreciation	279,249	279,249
Bond interest	160,120	170,821
Net profit	276,604	184,324
Less: Preferred divds.	134,997	104,998
Surplus for year	141,607	79,326
Add: Prev. surplus	249,680	170,354
Balance forward	391,287	249,680
WORKING CAPITAL		
Current assets	1,467,331	1,492,492
Current liabs.	239,810	270,942
Working capital	1,227,521	1,221,550

Cash Sharply Higher

Balance sheet shows a sharp increase in cash which totals $425,384 compared with $95,487. Inventories are lower by $400,000 at $893,301. Accounts receivable are up $45,000 to $148,646. Another sharp increase is noted in investments, which are carried at $616,373, including the company's own bonds purchased. This figure compares with $281,532 in the previous year. Fixed assets are unchanged at $5,461,310.

In liabilities, the only noteworthy change is in redemption of bonds. During the year $72,000 of 6 per cent first mortgage bonds were redeemed, leaving $2,128,000 outstanding, while there were also redeemed $26,000 of 7 per cent general mortgage bonds leaving $638,333 outstanding. Reserve for depreciation has been increased by $279,000 to $1,456,595. No contingent liabilities are shown in the current report; at the end of the previous year, trade paper discounted was shown at $91,980.

PELISSIER'S HAS OPERATING LOSS CASH IS LOWER

Stated to Have Maintained Position in Brewing Industry

Loss of $2,478 is reported for Pelissier's Limited before provision for depreciation in the year ended Jan. 31, 1933. After allowance of $13,510 for depreciation and $5,000 for bad debts the company carried forward a deficit of $4,376 into the current year. While working capital is reduced to $64,293 from $82,409 at the end of the previous year, the ratio of current assets to current liabilities has been increased to 3.7 to 1 from 3.06 to 1. Despite the loss on operations the annual statement indicates that the company has held its position in the Manitoba trade.

No dividends were paid during the year and voting rights are now in the hands of preferred shareholders. Expenditures are stated to have been reduced in every possible way but have maintained the plant of the company in a good condition. The comparison of income and surplus accounts for the past two years follows:

INCOME AND SURPLUS ACCOUNT Years Ended January 31

	1933	1932
	$	$
Net earnings	*2,478	18,413
Less:		
Depreciation	13,510	19,409
Res. for bad debts	5,000	....
Net profit	*20,988	*996
Add: Previous surplus	16,612	17,608
Earned surp. carr. fwd.	*4,376	16,612

*Deficit.

Current assets show a general reduction with cash down to $7,503 from $11,184, accounts receivable and advances down to $16,887 from $40,422 and inventories down to $63,655 from $70,773. The company has no bank loan and sundry creditors are down to $1,444 from $31,906 while taxes are down to $7,309 from $7,064. Fixed assets are carried at $403,693 after reserve for depreciation amounting to $78,670. Licenses, trade marks, etc., are valued at $150,000. There remains outstanding $3,604 shares of preferred stock, 112 shares having been retired during the past year.

Working Capital As at Jan. 31

	1933	1932
	$	$
Current assets	88,045	122,379
Current liabilities	23,752	39,970
Working capital	64,293	82,409
Ratio	3.70—1	3.06—1

HAYES WHEELS PASSES INTEREST

Retain Working Capital to Carry Company Until Business Improves

Interest due April 1 on the 6 per cent first mortgage bonds of Hayes Wheels & Forgings Ltd. has not been paid and the preferred and common stocks of the company have been withdrawn from trading on the Toronto Stock Exchange because of non-compliance with the listing rules. In a letter addressed to bondholders, McLeod, Young, Weir & Co. states that at March 20, 1933, Hayes Wheels showed net current assets of $192,973 but that payment of interest and sinking funds would so decrease working capital position of the company that financing of future business could only be accomplished by means of bank loans.

According to the letter, the company has no bank loans at the present time and the management hopes that respite from fixed charges may enable the company to carry on until conditions improve, without recourse to borrowing for further capital. While the management is stated to have made every possible economy no improvement in earnings can be expected until an improvement is shown in the automobile industry which is the chief customer of the company.

This Week in Wheat

From Our Grain Correspondent

Easter Holidays

THE Easter holidays account for much more substantial interruption of business in the grain markets of Great Britain and of the continent than occurs in this country, so the full market effect of developments of the week tends to be postponed.

Release by the Dominion Government of figures showing the probability of a Canadian carry-over increased from 131,000,000 bushels of wheat to 156,000,000 bushels as at August 1 next, taken in conjunction with the figures published by the International Institute of Agriculture at Rome pointing to an increased world carry-over will have a natural tendency to offset to some extent developments in the United States, and to delay full realization of the effect that the short crop to be produced in that country may have in changing the world wheat picture.

* * *

Little Afloat

WORLD wheat shipments last week were again small, only slightly above 9,000,000 bushels. At other times of the year such small shipments tend to be bearish in their effects, but just at this season the reverse is the case, so far as the Liverpool and Canadian markets are concerned, for they mean continued substantial reduction of stocks of wheat afloat.

For some weeks now wheat has not been put afloat as rapidly as it has been reaching importing countries and going into consumption there, so the supplies for immediately available use are becoming restricted. That, it is hoped, means that the opening of navigation will see an important increase in the demand for wheat to be shipped to Great Britain and to Europe from Atlantic ports, to meet immediate demands that cannot be satisied from any other source, owing to the length of time involved in shipping. While there have been some indications of such prospective buying, both in the placing of orders for definite shipment, and also in some accumulation of futures by overseas interests, it is slower in making itself manifest than had been hoped. There is however, some indication of change in the fact that Canada has again assumed the position of leading export shipper, her shipments last week being more than a third of the total ahead of those of either Argentina or Australia.

* * *

Grasshopper Menace

THE grasshopper must not be overlooked as a possible wheat market factor. Over a large part of Manitoba, a considerable area in Saskatchewan and a smaller area in Alberta there are possibilities of a very serious outbreak of grasshopper damage. In places the soil contains grasshopper eggs carried over from last summer to the extent of 100,000 eggs to the square foot. In each province extensive preparations have been made to fight the threatened plague by an accumulation of poison, and the issuing of instructions to farmers as to the best precautionary methods.

It is not only in western Canada that the situation might become serious, but also in the spring wheat states to the south, Montana and the Dakotas. If grasshoppers do much damage in Canada they are likely to do proportionately more to the spring wheat crop of the United States, since proportionately more of that area is exposed to danger. The farmer's greatest hope against the grasshopper lies in the weather more than in his own efforts, for if conditions are sufficiently favorable to the development of insect life, the most arduous campaign cannot accomplish a great deal. Wet weather will impose a severe check on their life and damage. So also would a cold spell after enough early warm weather to get the eggs hatched out, for while the egg can live through the coldest of winters, the living grasshopper will succumb to frost.

Grasshopper plagues on this continent appear to be limited by some natural law to cycles of three years. This is the third year of the current cycle, and even if infestation does become severe, entomologists predict that disease will probably reduce the hoppers to inconsiderable numbers the following season.

Du Pont Co. Takes Steps Protect Cellophane Patents

From Our Own Correspondent

MONTREAL. — Dupont Cellophane Co. has taken legal action against the Sylvania Industrial Corp. in the United States, alleging infringement of patents covering moisture-proof material, moisture-proof composition, apparatus for coating and method of coating, all of which relate to the manufacture of moisture-proof Cellophane. This law suit is attracting interest here because of the fact that Canadian Industries Ltd. manufacture in Canada moisture-proof Cellophane under the Dupont patents, while the Sylvania Industrial Corp. maintain a branch organization in Canada for the distribution of their products.

The allegations set forth that the Dupont Cellophane Co. has expended large sums of money in developing the inventions covered by the patents and in introducing to the public transparent, moisture-proof wrapping material and that the company is able to supply the demand for the products.

It is further alleged that the defendant, knowing the plaintiff's rights in the matter, has been and still is making and selling transparent, moisture-proof sheets of wrapping material embodying the inventions claimed in the patents. It is also alleged that the Sylvania Industrial Corp. has continued to infringe the patents of the plaintiff, despite the fact that notice of the infringement had been given and it had been requested to cease.

Grain and Milling in Canada

SOIL MOISTURE IN WHEAT AREAS NEARLY NORMAL

S. Saskatchewan Still Hurt By Droughts of 1929-30-31

A survey of soil moisture in the prairie provinces indicates that general conditions are more nearly normal than in any year since 1928. But the effects of the droughts of 1929, 1930 and 1931 are still evident in Southern Saskatchewan, according to the W. Sanford Evans Statistical Service of Winnipeg.

The 1933 crop should not have to combat the handicaps of the last three years' crops, it is thought, due to the alleviation of drought conditions. There is one large area, with important grain acreage, which lacks surface moisture and sub-soil reserves. This is in south-western, west central and parts of central Saskatchewan, and extends into east central Alberta. Drifting occurred here during part of the winter, and good rains are urgently needed.

Saskatchewan Needs Rains

Sub-soil reserves are still deficient in the remainder of southern Saskatchewan. A normal crop will require rains at each stage of the crop's development.

Most northern areas have a normal prospect, based on moisture conditions. Southern Alberta is in excellent condition, and Manitoba is generally fair to good, although moisture is rather scanty in the south-west of the province.

Grasshopper activity is expected to range wider in 1933. The department of agriculture expects that a Manitoba area, south of Winnipeg, and an area in southeastern Saskatchewan, centring around Estevan, are likely to be severely infested.

The grasshopper pests are thought to be moving westward, and a campaign against them is in preparation. Weather conditions may retard their spread. Previous infestations have generally lasted three or four years, and 1933 is the third year of this one.

Seeding in Alberta, which was in full swing by April 15 last year, has been delayed by heavy snowfalls this week. The snow blanketed southern and central Alberta. In two days, 18 inches fell on the Calgary area. This is reported to be supplying needed moisture to parts of eastern Alberta. It may also aid parts of western Saskatchewan, since the storm moved eastward.

THREE FACTORS NOW SUSTAINING CHICAGO PRICES

Short Crop, Farm Relief Bill and Inflation Rumors Effective

From Our Own Correspondent

WINNIPEG. — Three separate factors are at work to put up Chicago prices, and to make the trade and the public comparatively indifferent to the lack of export business. One is the very short crop of winter wheat in prospect, and the fact that instead of conditions being improved from day to day they have, since the first break up of winter, grown steadily worse over a large part of the winter wheat area. That makes almost inevitable a production of wheat in 1933 that will fall short of meeting the country's own requirements for a single year by anything up to 100,000,000 bushels. The country will have a carry-over greater than required by considerably more than that quantity, but the prospect of making inroads on the surplus is sufficient to put out of mind for a long time the problem as to whether the whole surplus can ultimately be consumed in the United States or not.

Farm Relief Bill

The second is the farm relief bill now before Congress. Just how it will work out no one pretends to know, but there is at least some slight possibility that it will be passed and made effective soon enough to bring about some reduction in the area of spring wheat to be sown. Its market effect, however, does not come from that fact, but from the outlook for a tax to be placed on flour, to provide the money for ultimate distribution to farmers. As a result bakers and housewives are stocking up with flour, in a desire to evade the new tax to as great an extent as possible. Mills throughout the country are busy, for when the banking holiday and the suspension of the markets came about on March 4, it was disclosed that stocks of flour were everywhere very low.

Inflation Rumors

A third cause, the workings of which it is somewhat difficult to disentangle from the others, is a belief that inflation in some form or other is likely to take place in the United States. This factor is mentioned in all brokers' reports dealing with United States markets. It does not appear to have carried much beyond the point they might otherwise have reached, and real inflation might be expected to produce a much greater rise. But the possibility of inflation at least adds one element that makes purchase of commodities somewhat more attractive both to speculative and to other purchasers of commodities.

Chicago markets are even higher than the quotations on futures would indicate, and standard grades of wheat command substantial premiums over the near-by future, while in Winnipeg such grades sell at a discount, narrowing only as the contract month approaches. A cash price of 64 cents a bushel has been reached there, which would be equivalent of about 75 cents in Canadian funds. If such a price could be reached on the Winnipeg market it would be hailed as heralding the return of prosperity.

Doubt U. S. Beer Laws Will Aid Canada Barley

Shortage of Good Malting Crop Here and in U. S. A. —Bacon Still Best Outlet

From Our Own Correspondent

WINNIPEG.—Possible effects of the revival of brewing in the United States upon the price of grains, and particularly of barley, are now beginning to excite interest.

To those unfamiliar with the malting and brewing trades there must appear inconsistencies between statements that the percentage of grain that can be absorbed in beverage manufacture is small, and claims of possible shortage of good malting barley.

Nevertheless, in Canada, although there has been a surplus of barley for a considerable time there has been a shortage of good malting barley, and Canadian maltsters are never able to get as much of the best barley as they would like to have. A glance at current market quotations will show malting grades of barley on the Winnipeg market priced at 5 cents a bushel above 3 C. W. barley, the standard grade of the market. Lower grade barleys can be used for malting, and in fact must be so used, in the absence of sufficient quantities of higher grades, but the maltster and especially if he is preparing malt for brewers' use, will never use the poorer grades if he can get the better.

California Grows Best

From the standpoint of the British maltster, the finest barley produced in North America comes from California and is known as Bay Brewing. Up to eight million bushels of that barley have gone to the British market in a single year, and it has commanded prices there up to twice the price of Canadian barley offered at the same time. Should the demand for barley in the United States result in keeping that barley at home there would appear the chance of enlarging the demand in Great Britain for Canadian barley.

But beer tastes vary between different countries, and it is remarkable that this California barley, found so useful, especially in combination with other grains for brewing heavy English beer, has never been in high favor for use in the much lighter brews of the United States. It is quite possible that it will continue to go to England, and United States brewers nevertheless complain that they cannot get enough of the barley they want.

Exacting Trade

The maker of brewers' malt is probably the world's most exacting buyer of grain. Malt that is lacking in flavor or some other essential qualification for the brewing of beer can be made into whiskey. The first requirement of the maltster is for completely viable grain, for malting is a process of sprouting, arrested at the critical moment, and seed that lacks life is quite useless to him. The next is uniformity, for a mass of grain is demanded every kernel of which will behave in exactly the same way, and in the same period of time.

It is no reproach to the farmers of Western Canada that most of the barley they grow is not suitable for malting. In many cases barley is grown primarily for feeding hogs on the home farm, and a high yielding variety, unsuitable by nature for malting purposes is deliberately selected. In many others barley is sown as a cleaning crop for it may be sown late, and a short growing season, permitting work on the land to be carried on later in the spring than is possible on land designed for wheat.

Is Specialty Crop

The growing of malting barley, therefore, is something of a specialty, which only a limited number of farmers will find it suitable to attempt. Those who are willing to attempt it hardly need the promise of a possible additional market in Great Britain because of developments that might keep at home barley now obtained in the United States, until at least the special demand in Canada is satisfied. Should there be such an enlargement of the British market, it would, of course, mean a chance for more farmers to engage in specialized malting barley production before the demand is completely satisfied. Of the barley which Canada has exported to Great Britain in the past, most has been fed to livestock, although while practically none has been used by brewers, quantities have gone into distillers' malt, malt extracts and foods, and the manufacture of vinegar.

On the continent, Germany was, before she imposed a discriminatory duty against Canadian barley, a much bigger buyer than Great Britain. There have also been times, during especial prosperity of the Danish pig industry when a good deal of our barley has found a market in Denmark. Generally in foreign markets Canadian barley has been in disrepute as much as Canadian wheat has been in esteem, not because of lack of inherent quality, but because of the large number of weed seeds it was likely to contain. But there was a time when Ontario barley enjoyed a very high reputation in the United States, and growing barley for the brewing trade in that country was the most profitable use to which farmers of Ontario could put their land.

If improvements in hog markets are under way sufficient to permit the export of decidedly larger quantities of Canadian bacon it is quite possible that the Western farmer who grows feed barley and feeds it on his own farm will find that a more profitable enterprise than selling it for cash.

Winnipeg Grain Prices

Week to April 18

Crop year from Aug. 1, 1932 High	Low		Open Apr. 12	High for week	Low for week	Close Apr. 18
		Wheat				
.67⅝	.40½	May	.52½	.56⅝	.51¾	.53⅛
.56¼	.41¾	July	.53½	.54⅞	.53	.54⅜
.57⅞	.46⅝	October	.55½	.56¾	.54¾	.55⅜
		Oats				
.29½	.21⅛	May	.24¾	.25	.24⅛	.24¾
.26⅜	.21½	July	.24¾	.25	.24¼	.24⅞
.25¾	.21⅞	October	.24⅝	.24⅞	.24⅛	.24¾
		Barley				
.38½	.26⅛	May	.31⅜	.31¾	.30⅝	.31¾
.35¾	.26	July	.32	.32¼	.31½	.32⅜
.33⅝	.27¼	October	.32⅝	.33⅝	.32⅛	.33⅝
		Flax				
.94	.71¼	May	.82½	.85	.82¾	.84
.86⅝	.71⅞	July	.83½	.86⅝	.83½	.85⅝
.89	.76	October	.86¾	.89	.86⅛	.88
		Rye				
.42⅞	.30¼	May	.37½	.39	.37	.38¼
.39⅞	.31	July	.38⅜	.39⅞	.38	.39⅛
.41⅝	34	October	.40½	.41	.39⅝	.41

Prairie Wheat Brings Farmer $110 Millions

Net money value of the 1932 wheat crop to prairie farmers will be approximately $110,000,000, according to an estimate made by The Financial Post from figures compiled by the W. Sanford Evans Statistical Service, Winnipeg. Of this amount, $95,497,528 has been received by farmers in the period from August 1, 1932, to March 31, 1933, as compared with $98,115,273 in the same period of the 1931-32 crop year.

Total receipts from wheat in the 1931-32 crop year amounted to $113,685,591, according to the W. Sanford Evans compilation, this amount being less than 3 per cent greater than the 1932-33 estimate.

To achieve the eight months' total of $95,500,000 during the current crop year, 317,583,000 bushels of wheat were sold which compared with 228,205,000 bushels sold in the same period of the previous year for a total of $98,115,000. On this basis the average price per bushel received was 43 cents last year compared with 30 cents in the current year.

Adjustments Being Made In Canada-U. K. Preferences

Several voluntary departures from Imperial preferences between Canada and Great Britain have been made, according to Hon. Walter Runciman, president of the United Kingdom Board of Trade.

The United Kingdom has agreed to forego, so long as Britain is not in a position to supply Canada's requirements, the preference accorded by Canada to United Kingdom nitrate of soda when imported for use as a fertilizer or for the manufacture of explosives. They have also agreed to the withdrawal of the preference accorded by Canada in respect of colonial crude peanut oil. Canada has agreed that the preference on shooks in certain West Indian colonies should not extend to white oak shooks for the manufacture of rum puncheons. Consultations on other matters between the United Kingdom and Canadian governments are still proceeding.

Port of Montreal Sets Record

The Port of Montreal set a new record last year in the imports, at 4,036,045 tons. This figure compares with 3,568,542 tons for the year before and with 1,472,933 tons in 1924, according to a survey just completed. There were 553 different items in the list of imports.

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UNIT. AMUSEMENT DEFERS DIVIDENDS COMMON STOCK

Second Largest Movie Chain in Canada Feels Pinch

From Our Own Correspondent

MONTREAL.—Reduced admission prices and restricted patronage have lowered earnings of most motion picture theatres and United Amusement Corp., second largest chain in the Dominion, has omitted dividends on its common stock. Payments on the 66,246 shares of "A" and 8,121 shares of "B" had previously been cut twice from a $2 annual rate; the last quarterly dividend was 40 cents a share paid last December.

United Amusement operates 19 theatres, 16 of which are located in Montreal. All but one of these houses are located in the suburbs. The company was able to maintain revenue at a not unsatisfactory level to the end of its last fiscal year August 31, 1932, since lower prices prevailing tended to draw patrons from the more expensive down-town theatres.

Prices Cut Heavily

Within the past year, however, the big houses have made drastic reductions in admission fees and suburban movies have had to make further concessions bringing admission costs to a low figure. In addition general curtailment of luxury spending has also found reflection in attendance.

In the last fiscal year earnings of United Amusement Corp. after all charges were equal to $2.14 a share on the common stock against disbursements for the year of $1.85 a share. There is an issue of $1,356,800 of 6 per cent first mortgage bonds ahead of the stock.

Famous Players Canadian Corp., largest chain in Canada and a company which has a substantial interest in United Amusement, paid its last common dividend in June, 1932.

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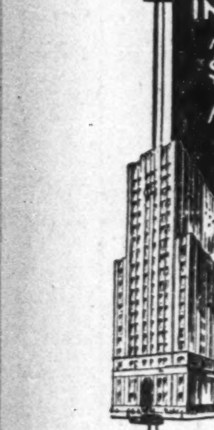

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ALUMINIUM LTD. HAD LARGE LOSS AFTER CHARGES

Former Surplus of Profit and Loss Now Wiped Out

From Our Own Correspondent

MONTREAL.—Net earnings of Aluminium Ltd. in 1932 amounted to $1,897,728 compared with $1,831,173 in the previous year. After bond interest, depreciation, and exchange losses there was an operating loss for the year of $1,221,731 against a loss of $972,932 in 1931.

During the year dividends of $2.25 a share were paid on the 6 per cent preferred stock making a total deficit for the year of $1,449,231. After addition to surplus of $291,598 representing profit on retirement of bonds and preferred stock there was a deficit of $107,714 in surplus account compared with a surplus of $1,110,027 at the end of the previous year.

Profit and Loss Account

Following is a comparison of profit and loss for the past two years:

	1932 $	1931 $
Net earnings	1,897,728	1,831,173
Less: Interest	1,445,078	1,200,033
Depreciation	1,468,676	1,465,972
Income tax	......	34,043
Exchg. loss	205,705	188,575
Add: Sundry adj.	......	84,518
Oper. loss	1,221,731	972,932
Less: Preferred divds.	227,500	780,000
Prov. for exchg.	......	240,000
Deficit for year	1,449,231	1,992,932
Add: Prev. surp.	†1,049,919	3,102,959
Profit on red.	291,598	......
Balance forward	*107,714	1,110,027

†Adjusted. *Deficit.

WORKING CAPITAL

	1932 $	1931 $
Current assets	17,086,273	16,013,193
Current liabs.	6,949,742	5,285,893
Working capital	10,136,531	10,727,300

Among assets inventories show a gain of $1,768,000 at $11,335,016. It is pointed out that this gain is due in part to inclusion of a company, Jeewanlal (1929) Ltd., India, which was formerly a partially owned company. Stocks of aluminum on hand represent about 6 months normal output. Accounts receivable are down $1,148,000 at $3,410,372 and marketable securities have been increased by $978,000 to $1,418,019. Cash is down $514,000 at $922,864.

Property account is up $1,370,000 at $47,365,269 resulting chiefly from inclusion of properties of companies in which Aluminium, Ltd., had partial interests carried as investments. About $281,000 was spent on new construction, mostly work under contract at the beginning of the year. Investments in shares of partially owned companies reflect consolidation, being higher by $925,000 at $10,377,026. Advances to partially owned companies are sharply lower at $6,291,625. Advances of $904,000 were made but elimination of accounts with fully owned companies and conversion into share capital of some advances previously made resulted in a net decrease of $1,661,678 in investments and advances to partially owned companies.

Bills Payable Gain

In liabilities, bills payable show a gain of $1,210,000 at $3,993,234 and notes due in 1933, 1934, and 1935, are unchanged at $1,500,000. During the year there were redeemed $235,000 of preferred leaving $12,765,000 outstanding. There were redeemed $235,000 of preferred leaving $12,765,000 outstanding. There were also redeemed $522,000 of 5 per cent bonds leaving $18,884,000 outstanding and subsidiary companies bonds were reduced by $39,000 to $2,198,115. Last year there were sold 400 shares of capital stock for $30 a share making a total of 592,699 no par shares now issued.

In his remarks to shareholders Edward K. Davis, president of the company said in part: "It has bean possible to find a market for all our aluminum produced in 1932. About 23,400 metric tons have been sold to customers exclusive of sales to partially owned companies, and approximately 3,900 metric tons have been sold to partially owned companies engaged in fabrication.

"World stocks of aluminum are not excessively large. They are in firm hands and do not weigh unduly on the market. Of particular benefit to companies operating in the British Empire are the trade agreements between Canada and the United Kingdom, Canada and Australia, Canada and New Zealand, and the United Kingdom and India, made pursuant to the programme of the Ottawa Conference of July and August, 1932. The full benefit of the Ottawa trade agreements already made was not felt in 1932 since they were in operation only in the latter part of the year, but we anticipate that substantial benefits will accrue to our business on account of them. Nearly 70 per cent of our investments are within the British Empire."

Niagara Falls Bldg. Assets Are Lower

Niagara Falls Building, Savings & Loan Association, one of the three terminable building societies remaining in Ontario, had total assets of $2,379,777 at December 31, 1932, according to the balance sheet presented to the annual meeting held on April 11. During the year mortgage loans were reduced to $2,210,650 from $2,583,230 while repossessed property increased to $143,987 from $59,000. Agreements for sale are shown at $15,000.

In liabilities, mortgage dues are down to $601,186 from $662,627 and mortgage profits down to $113,107 from $129,194. Installment dues are down to $227,951 from $342,279 and installment profits down to $60,100 from $80,112. Paid up shares are shown at $1,281,410 and reserve at $96,000. Comparison with previous years is as follows:

Year	Total Assets $	Reserve Funds $	Mortgage and Real Est. Loans $
1928	2,274,482	89,981	22,708
1929	2,519,735	98,000	2,516,280
1930	2,707,909	97,000	2,704,390
1931	2,646,509	97,000	2,583,230
1932	2,379,777	96,022	2,210,650

Plan New Floating Drydock

Boeing Aircraft of Canada Ltd., has started dredging operations on Coal Harbor in Burrard Inlet for the purpose of installing a 500 ton floating drydock which will be available for operation at all stages of the tide. The plant will be completed in about six weeks and will involve an expenditure of $15,000.

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING APRIL 17

Range 1933 High	Low	Divd. Rate in $	Yield in % Apr. 15		Sales	Close Apr. 10 (or last)	Week Ending Apr. 17 High	Low	Close
				A					
.50	.12	.	...	Abitibi	....	.15	..	..	..
2¼	1	.	...	Do. pref. 6%	....	1	..	..	..
x80	80	7	...	Acme F. D'y p	....	..	..	..	..
x5	4½	.	...	Agnew Surp.	....	..	..	..	..
60	60	7	11.7	Do. pref.	....	60	..	..	..
4¼	3¼	.	...	Alta. Pac. Gr.	110	4½	4½	3¾	4½
25	20	.	...	Do. pref.	....	20	..	..	..
x3¾	1½	.	...	Amal. Electric	....	..	..	..	..
5	3	.	...	Do. pref.	....	5	..	..	..
†3½	3½	.	...	Anglo. N. Hold.	....	..	..	..	..
.25	.15	.	...	Asbestos	....	.25	..	..	..
.60	.50	.	...	Do. pref.	....	.50	..	..	..
6	3¾	.	...	Assoc. Brew.	50	3⅞	4	4	4
72	65	7	10.8	Do. pref.	....	65	..	..	..
x3	3	.	...	Assoc. Can.	....	..	..	..	..
†69	65	.	...	Assoc. Tele.	....	..	..	..	..
				B					
130	128	10	7.8	Bk. Can. Nat.	21	128	128½	128	128
189	157	10	6.3	Bk. Montreal	84	159	159	157	158
265	239	14	5.8	Bk. N. Scotia	281	241	241	240	241
172	150	10	6.4	Bk. Toronto	50	154	156	156	156
10	10	.	...	Barcelona	5	..	10	10	10
2¼	1	.	...	Bathurst Pr.	....	1½	..	..	..
x1½	1½	.	...	Do. (B)	....	..	..	..	..
†26	26	.	...	Bawlf Grain	....	..	..	..	..
20	20	.	...	Do. pref.	....	20	..	..	..
4	3	.	...	Beath & Sons	....	3	..	..	..
5	3½	.	...	Beatty Bros. A	....	4⅝	..	..	..
57	55	6	10.9	Do. pref.	50	56	55	55	55
1.50	.70	.	...	Beauharnois	3115	.80	.75	.70	.70
x63	60	4	...	Belding Cort.	....	..	..	..	..
89	89	7	7.9	Do. pref.	....	89	..	..	..
100	80	6	7.3	Bell Telephone	535	83	82½	81½	81½
3¼	3¼	.	...	Biltmore Hats	....	3¼	..	..	..
65	62	7	11.3	Do. pref.	....	62	..	..	..
x4	1½	.	...	Bissell, T. E.	....	..	..	..	..
†97	88	.	...	Do. pref.	....	..	..	..	..
1	1	.	...	Blue Ribbon	....	1	..	..	..
15	10	2	15.4	Do. pref.	....	13	..	..	..
20	18½	2	10.8	Brant. Cd. pf.	....	18½	..	..	..
10	7	.	...	Brazilian Tr.	5721	8⅛	8½	8	8⅞
.85	.55	.	...	Brew. & Distil.	....	.85	..	..	..
1¼	¼	.	...	Brewing Corp.	15	¼	⅜	¼	¼
6¼	[illegible]	.	...	Do. pref.	170	4¼	4½	4	4
8½	7½	80c	10	Brit. Amer. Oil	4730	7¾	8	7⅝	8
1⅞	1	.	...	B.C. Packers	25	1½	1½	1½	1½
12¼	6	.	...	Do. pref.	....	10½	..	..	..

Range 1933 High	Low	Divd. Rate in $	Yield in % Apr. 15		Sales	Close Apr. 10 (or last)	Week Ending Apr. 17 High	Low	Close
5	5	50c	10	Do. (B)	....	5	..	..	..
120	80	7	8.2	Huron & E. Mt.	5	85	85	85	85
18	14	.	...	Do. 20% pd.	....	16	..	..	..
6	6	.	...	Hydro Electric	....	6	..	..	..
				I					
158	123	10	7.9	Imperial Bank	90	124½	126	124	126
9½	7¼	50c	5.9	Imperial Oil	17938	7¾	8½	7¾	8¼
8½	7	35c*	4.3	Imperial Tob.	2402	8½	8½	8	8¼
†80	80	8	...	Inter. Coal, p.	....	..	..	..	..
x6	6	.	...	Int. Hyd. E. A.	....	..	..	..	..
102	98	7	6.9	Inter. Mill. pf.	5	102	102	102	102
85½	84	6	7	Do. Series A.	....	85½	..	..	..
12.10	8.00	.	...	Inter. Nickel	74939	11.30	12.10	10.85	11.90
x4	4	.	...	Inter. Paints	....	..	..	..	..
b1⅛	¾	.	...	Int. Pa. & Pr. A	100	¾	1	1	1
b1¼	¼	.	...	Do. (B)	....	¾	..	..	..
b1¼	½	.	...	Do. (C)	800	⅜	⅜	½	⅜
b4½	2	.	...	Do. pref.	400	2½	2½	2¾	2½
13¼	10⅜	1	7.7	Inter. Pete.	9123	11½	13¾	11¼	13¾
x2½	2½	.	...	Inter. Power	....	..	..	..	..
10	10	.	...	Do. pref.	....	10	..	..	..
7	5¼	.	...	Int. Util. (A)	50	6	5¼	5¼	5¼
1½	1	.	...	Do. (B)	275	1½	1½	1½	1½
				J					
†40	40	1	...	Jam. Pub. Ser.	....	..	..	..	..
75	70	7	10	Do. pref.	....	70	..	..	..
				K					
1½	¾	.	...	Kelvinator	....	¾	..	..	..
57	57	7	12.3	Do. pref.	....	57	..	..	..
				L					
6	5	.	...	Lake of Woods	105	5½	6	6	6
34	30	.	...	Do. pref.	....	30	..	..	..
80	80	6	7.5	Landed Bank	....	80	..	..	..
40½	36	3	7.9	Laura Secord	....	38	..	..	..
1⅞	1¾	.	...	Lindsay, C. W.	....	1¾	..	..	..
25	25	.	...	Do. pref.	....	25	..	..	..
12	10¼	80c	7.2	Loblaw (A)	356	11½	11¼	10¾	11¼
11½	10¼	80c	7.4	Do. (B)	10	10¾	10¾	10¾	10¾
‡2¾	2¾	.	...	Loew's, London	....	..	..	..	..
				M					
†25	19	.	...	MacKin. Steel	....	..	..	..	..
†95	90	3.50	...	Do. pref.	....	..	..	..	..
3½	3½	.	...	Manitoba Pr.	....	3½	..	..	..
x5	2	.	...	Maple Leaf	....	..	..	..	..
6¼	5	.	...	Do. pref.	60	5½	6	6	6

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
April 18, 1933

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.40	.60
Acadia Sugar 6% pfd.	2.75	3.15
Acme Farmers Dairy 7% pfd.	50.00	....
Acme Glove pfd. bonus c.	5.50	8.25
Agnew Surpass 7% pfd.	60.50	65.00
Allens London 7% pfd. bonus c.	31.50	....
Allens St. Cath. 7% pfd. bonus c.	31.50	....
Allens Toronto 7% pfd. bonus c.	16.00	....
Andian Nat. Corp.	20.00	22.50
Atlantic Sugar "A" pfd.	70.25	80.00
B.C. Pulp & Paper pfd.	2.50	....
Burns pfd. bonus com.	....	2.75
Canada & Dom. Sugar	21.65	23.00
Canada Mach. c.	2.50	5.00
Canada Mach. pf.	15.50	....
Canada Pack. pfd.	76.00	....
Canada Pack. c.	12.00	....
Canada Starch 7% pfd.	62.25	68.00
Canada Tea 7% pfd.	....	50.00
Canada Wire & Cable 6½% pfd. W.W.	....	34.00
Can. Industries c. "A"	67.00	....
Can. Industries c. "B"	64.00	67.00
Can. Industries 7% pfd.	114.00	118.00
Can. Westing.	35.00	37.00
Claude Neon Gen. Adv. Units	....	13.50
Cons. Div. Standard Sec. pfd.	5.25	....
Dom. Foundries & Steel 8% pfd.	....	59.00
Dom. Foundries & Steel c.	2.00	4.25
Dom. Mfrs. 7% pf.	60.50	70.00
Dunlop Tire 7% pfd.	32.00	39.00
Eastern Dairies Ltd. 7% pfd.	....	46.50
Edmonton Stockyards Units	38.00	52.00
Federal Grain 6½% pfd.	15.00	20.50
A. J. Freiman pf.	30.50	40.00
Gen. Steel Wares pfd.	5.00	6.00
Goderich Elevator & Transit	3.25	5.00
Greening Wire 7% pfd.	....	56.25
Guelph Carpet 6½% pfd. bonus	63.00	72.00
Guelph Carpet c.	4.25	....
Inter. Proprietaries "A"	22.00	22.75
Langleys Ltd. 7% pfd.	24.00	....
Loew's London c.	.50	1.00
Loew's London 7% pfd.	3.30	4.25
Loew's Toronto 7% pfd.	....	60.50
Massey Harris 5% pfd.	11.00	12.50
Medical Arts pfd. bonus c.	95.50	....
Mount Royal Hotel c.	.30	....
Mount Royal Hotel 6% pfd.	2.50	3.50
National Grocers com.	.45	.95
National Grocers 7% 2nd pfd.	37.00	42.00
Neilson, Wm., c.	3.75	....
Paramount Kitchener pfd.	27.00	....
Paramount Oshawa com.	1.50	....
Paramount Oshawa pfd.	27.00	....
Provincial Paper 7% pfd.	29.00	32.50
Reliance Grain 6½% pfd.	40.00	44.50
Rolland Paper 6% pfd. W.W.	....	25.00
Standard Clay Prod. com.	....	14.00
Standard Fuel 6½% pfd. bonus	55.25	59.00
Stop & Shop Ltd. com.	1.30	3.00
Supersilk pf. bonus	25.25	30.50

Ind. Stock cont'd.	Bid	Asked
Supersilk Petroleum "B"	17.50	20.50
Toronto Carpet c.	44.50	....
Toronto Elevators 7% pfd.	69.50	71.00
Un. Grain Growers	10.50	....
Western Grain 6½% pfd. bonus	12.00	16.50
West. Grocers pfd.	54.00	....
Willards Choc. pf.	....	13.50
Insurance Stocks:		
Br. Amer. Assce.	32.50	40.00
Canada Life Ass.	....	388.00
Can. Fire Ins.	48.00	55.00
Confederation Life 20% pd.	....	130.00
Continental Life 20% pd.	37.00	46.00
Crown Life Ins.	86.00	110.00
Dom. Fire Ins.	80.50	....
Dom. Life 50% pd.	141.00	223.00
Dom. of Can. Gen. Ins.	....	105.00
Empire Life 25% pd.	8.25	12.00
Excelsior Life 30% pd.	80.50	90.00
Fidelity Ins. Co.	45.50	....
Great West Life Assce.	....	243.50
Guarantee Co. of N. A.	240.00	....
Imperial Life	250.50	265.00
Mfrs. Life Ins.	225.50	250.00
Monarch Life 10% pd.	14.00	18.00
National Life 25% pd.	60.00	69.00
Saskatchewan Life 10% pd.	7.50	12.00
Sovereign Life 25% pd.	14.75	19.00
Sun Life Assur.	240.00	285.00
Western Assur. c.	....	15.00
Western Life 20% pd.	7.00	12.00
Trust & Loan Stocks:		
Br. Mtg. & Trust	153.50	165.00
Can. Gen. Investments, Ltd.	2.85	3.00
Chartered Trust	....	63.00
Debenture & Sec. 5% pfd.	6.75	....
Eastern Can. Sav. & Loan	110.00	115.00
Eastern Trust	135.00	141.00
Guelph & Ont. Inv. par $50	49.50	57.00
Investment Foundation Units	18.00	22.00
Lambton Loan & Savings	50.50	55.50
London & Western Trust	....	71.50
Mtge. Disc. pfd.	....	2.00
Premier Trust	67.00	77.00
Provincial Bank	85.50	92.00
Security Loan & Savings	90.00	....
Sherbrooke Trust	100.00	111.00
Sterling Trust	....	53.25
Traders Fin. c.	....	.55
Traders Finance 7% "A" pfd.	18.00	20.50
Trusts & Guar.	....	34.00
Victoria Trust & Savings	130.50	138.00
Waterloo Trust & Savings	....	104.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	88.25	90.00
Calgary Power 6% pfd.	63.00	....
Can. Light & Pwr. com.	22.00	....
Can. West. Nat. Gas LH&P c.	21.25	....
Can. West. Nat. Gas LH&P pfd.	66.00	70.00
Maritime Tel. & Tel. c.	7.15	8.25
Maritime Tel. & Tel. 7% pfd.	10.25	11.25
N.B. Telephone c.	6.00	7.25
Nor. Ont. Pwr. c.	9.75	....
Nova Scotia L&P 6% pfd.	67.00	72.00
Recent London Quotations:		
Brewers & Distillers		3s. 9d.
Can. & For. Secs.		3s. 6d.
Can. West. Lumber		9d.
Hudson's Bay		15s.
Do., 5% pref.		60s.
Internat. Holdings		$⅞
Nfld. Pr. & Pap. deb. stock "B"		90½
Trust & Loan of Can.		9d.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
April 18, 1933

Industrial Bonds:	Bid	Asked
Abitibi P. & P. 5% 1953	14.00	15.00
Acadia Sugar 6% 1946	84.50	87.00
Alta. Pac. Grain 6% 1946	79.00	82.00
American Sales Book 6% 1939	107.00	....
Arnold Bros. 6% 1947	33.00	....
B. A. Oil 5% 1945	89.00	91.00
Can. Biscuit 6½% 1946	12.50	16.00
Can. Bread 6% 1941	79.00	83.00
Can. Cement 5½% 1947	51.00	53.00
Can. Steamship 6% 1941	15.50	17.00
Can. Bakeries 6½% 1945	45.00	51.00
Can. Canners 6% 1950	74.00	76.00
Can. Copper Refin. 6% 1945	103.00	....
Can. Cottons 5% 1940	83.00	86.00
Can. Vickers 6% 1947	49.50	53.00
Cons. Invest. 4½% 1959	25.00	28.00
Cosmos Imp. Mills 6½% 1944	79.00	83.00
Davies, Wm. 6% 1942	87.00	89.00
Debenture & Sec. 4% 1936	52.00	55.00
Dom. Manufacturers 6% 1933	95.00	....
Dom. Tar & Chemical 6% 1949	54.00	56.50
Dom. Telegraph 5½% 1978 "A"	87.00	89.00
Dom. Textile 6% 1949	99.00	....
Dom. Woollens 6% 1948	13.00	15.00
Donnacona Paper 5½% 1948	15.00	17.00
Eaton Realty 5% 1949	79.00	81.00
Famous Players 6% 1948	....	48.00
Famous Players 6½% 1948	25.00	28.00
Federal Grain 6% 1949	78.00	81.00
Fraser Co. 6% 1932	9.00	11.00
Fraser Co. 6% 1950	9.00	11.00
Galt Brass 7½% 1941	....	25.00
Goodyear Cotton 6% 1949	99.00	....
Great Lakes Paper 6% 1950	16.00	17.50
Gypsum, Lime & Alab. 5½% 1948	29.00	31.00
Harris Abattoir 6% 1947	88.00	90.00
Howard Smith 5½% 1953	55.00	57.50
Loew's Toronto 6% Serial	100.00	....
London Realty 6½% 1950	32.00	35.00
Maple Leaf Milling 5½% 1949	....	30.00
Massey-Harris 5% 1947	48.00	....
McColl-Frontenac 6% 1949	81.00	83.50
McKinnon Industries 6½% 1945	94.00	....
Mercury Mills 5½% 1953	....	30.00
Metropolitan Bldg. 7% 1944	85.00	....
Northern Ontario Bldg. 6½% 1939	60.00	63.00
Price Bros 6% 1943	27.00	29.00
Richmond Bay 6½% 1947	64.00	67.00
Simpsons Ltd. 5½% 1949	38.00	41.00
Simpsons Ltd. 6% 1949	40.00	42.00
Steel of Canada 6% 1940	103.00	105.00
Toronto Carpet 6% 1944	75.00	85.00
United Gas & Fuel 5½% 1948	49.00	51.00
United Grain Growers 5% 1948	76.00	77.50
United Grain Growers 5½% 1949	79.00	81.00
Wabasso Cotton 7% 1942	63.00	....
Western Grain 6% 1949	62.00	65.00
Public Utility Bonds:		
Bell Telephone 5% 1955	107.00	108.50
Bell Telephone 5% 1957	106.00	107.50
B. C. Power 5½% 1960	81.00	83.00
B. C. Telephone 5% 1960	84.50	87.50
Calgary Power 5% 1960	76.00	79.00
Can. Northern Pwr. 5% 1953	74.00	76.00
Duke Price Pwr. 6% 1966	60.00	63.00
French Nat'l. Mail S.S. 6% 1952	122.00	124.00
Gatineau Pwr. 6% 1941 "A"	56.00	58.00
Gatineau Pwr. 5% 1956	74.25	75.50
Maclaren Quebec 5½% 1961	68.50	71.00
Manitoba Power 5½% 1951	38.00	40.00
Montreal Isl. Pwr. 5½% 1957	92.00	95.00
Montreal LH&P 5% 1951	105.00	107.00
Montreal LH&P 5% 1970	102.00	104.00
Montreal Tram 5% 1941 July	95.00	98.00
Montreal Tram 5% 1955	65.00	67.00
Northwest. Utilities 7% 1938	89.00	92.00
Ottawa Valley Pwr. 5½% 1970	95.00	97.50
Quebec Power 5% 1968	89.00	92.00
Rio Tramways 5% 1935	96.00	98.00
Shawinigan W&P 4½% 1970	63.00	65.00
Shawinigan W & P 5% 1970	71.00	74.00
Shawinigan W&P 6% 1937	82.00	84.00
Southern Can. Pwr. 5% 1955	97.00	100.00
West Kootenay Pwr. 5% 1956	89.00	91.00
Government, Provincial & Railway:		
C. N. R. 4½% 1951 Dom. Gtd.	98.50	99.00
C. N. R. 4½% 1957 Dom. Gtd.	97.50	99.00
C. N. R. 5% 1969 Dom. Gtd.	103.00	104.00
C. P. R. 4½% 1944	63.00	65.00
C. P. R. 6% 1942	85.00	88.00
Dom. of Can. 5% 1936	102.00	102.75
Dom. of Can. 5% 1941	102.00	103.00
G. T. P. 3% 1962 Dom. Gtd.	78.50	79.75
G. T. P. 4% 1962 Dom. Gtd.	91.00	92.00
Ont. Hydro 3½%, 4%, 5%, 1952 Ont. Gtd.	90.00	91.00
Ont. Hydro 4½% 1970 Ont. Gtd.	97.00	98.50
Ont. Hydro 4% 1957 Ont. Gtd.	86.50	....
Prov. of N. B. 5% 1957	98.00	99.50
Prov. of Ont. 5½% 1947	105.00	106.00
Prov. of Ont. 5% 1948	100.00	101.50
Prov. of Ont. 5½% 1946	105.00	106.50

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Beatty Bros. pref.	6%	1½%	May 1	Apr. 15
Brockville Trust	$2.50	62½c	Mar. 31	Mar. 20
Belding Corticelli, c.	4%	1%	May 1	Apr. 15
Can. Dredge, pref.	7%	1¾%	May 1	Apr. 13
Canadian Bronze	60c	15c	May 1	Apr. 20
Do. pref.	$7	$1.75	May 1	Apr. 20
Can. Industries, com. A & B	$3.50	87½c	Apr. 29	Mar. 31
Can. Northern Power	80c	20c	Apr. 25	Mar. 31
Can. Iron Fds. pref.	$3	$1.50	Apr. 30	Apr. 15
Calgary Power, pref.	6%	1½%	May 1	Apr. 15
Crescent Creamery pfd.	$7	$1.75	Apr. 15	Mar. 31
Can. Invest. Fund spec. sh.	...	*5c	May 1	Apr. 15
Community Trusts	$2.60	62½c	Apr. 15	Mar. 31
Dominion Scottish Invest., pfd.	$1	25c	May 1	Apr. 20
Dominion Bridge	$2	50c	May 15	Apr. 29
Eastern Theatres c.	$2	50c	June 1	Apr. 29
Eastern Townships Tele. c.	72c	36c	Apr. 15	Mar. 31
Guar. Co. of N. Amer.	$6	$1.50	Apr. 15	Mar. 31
Do., extra	$10	$2.50	Apr. 15	Mar. 31
Humberstone Shoe	$2	50c	May 1	Apr. 15
Hollinger Gold	65c	5c	Apr. 22	Apr. 7
Inter. Nickel, pref.	7%	1¾%	May 1	Apr. 1
Imperial Bank	$10	$2.50	May 1	Mar. 31
London Life Ins. 40% pd.	$8	$2	Mar. 31	Mar. 21
Mortgage Corp. of N.S.	$7	$1.75	May 1	Apr. 24
McIntyre Porc. Mines	$1	25c	June 1	May 1
Do., extra	...	25c	June 1	May 1
Montreal L. H. & Pr.	$1.50	37c	Apr. 30	Mar. 31
Northern Ont. Power	$2	50c	Apr. 25	Mar. 31
Do., pref.	6%	1½%	Apr. 25	Mar. 31
N. B. Telephone	50c	12½c	Apr. 15	Mar. 31
Penmans	$3	75c	May 15	May 5
Do., pref.	$6	$1.50	May 1	Apr. 21
Shawinigan W. & P.	50c	12c	May 15	Apr. 21
St Lawrence Flour	$1.50	37½c	May 1	Apr. 20
Do., pref.	7%	1¾%	May 1	Apr. 20
Simpson, Robt., pref.	$6	$3	May 1	Apr. 15
Southern Can. Power c.	$1	25c	May 15	Apr. 29
Steel of Canada	$1.20	30c	May 1	Apr. 7
Do., pref.	$1.75	43¾c	May 1	Apr. 7
Teck Hughes	60c	15c	May 1	Apr. 13

*Initial.

Dividend Rate Reduced:

Steel of Canada, c. May 1. $1.75 to $1.20 per annum.
Can. Bronze, c., May 1. $1.25 to 60c per annum.
Belding Corticelli, c., May 1, 7% to 4% per annum.
Brockville Trust, Mar. 31, $3.50 to $2.50.

Extra Dividends:

Guar. Co. of N. America Apr. 15, $2.50.
McIntyre Porc. Mines June 1, 12½c + 12½c.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.

April 18, 1933

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Oct.	80.00	6.05
Alberta	5	1 July, 1943	1 July	87.00	6.75
Alberta	6	1 Mar., 1947	1 Sept.	96.00	6.44
*British Columbia	4½	1 Oct., 1953	1 Oct.	82.50	5.99
*British Columbia	5	15 Jan., 1948	15 July	88.00	6.24
British Columbia	6	15 Feb., 1947	15 Aug.	97.00	6.33
Manitoba	4	1 July, 1947	1 July	79.00	6.22
*Manitoba	5	2 Dec., 1959	2 June	86.00	6.06
Manitoba	6	1 Apr., 1947	1 Oct.	95.00	6.55
*New Brunswick	4	1 June, 1948	1 June	89.30	5.00
*New Brunswick	4½	15 June, 1936	15 June	99.25	5.00
New Brunswick	5½	1 May, 1950	1 May	102.50	5.28
*Nova Scotia	4½	15 Nov., 1948	15 May	97.50	4.72
Nova Scotia	5	1 May, 1948	1 May	100.50	4.93
*Ontario	4½	1 Sept., 1944	1 Sept.	101.00	4.39
Ontario	5	15 Oct., 1948	15 Apr.	102.00	4.81
Ontario	5½	1 Feb., 1947	1 Aug.	106.25	4.88
P. E. I.	4	1 Apr., 1939	1 Oct.	94.85	5.00
P. E. I.	6	1 May, 1947	1 May	107.35	5.25
*Quebec	4½	1 May, 1961	1 May	98.00	4.37
*Saskatchewan	4½	1 Sept., 1955	1 Sept.	79.00	6.25
*Saskatchewan	5	1 Nov., 1959	1 May	85.00	6.15
Saskatchewan	6	15 Mar., 1952	15 Sept.	92.50	6.70
*Newfoundland	5	31 Dec., 1952	30 June	70.00	8.04
*Newfoundland	5½	1 July, 1939	1 July	77.00	10.45
*Newfoundland	6½	30 June, 1936	30 June	88.00	11.30
Cities					
*Montreal	5	1 Sept., 1963	1 Sept.	100.50	4.97
*Toronto	4½	1 Jan., 1955	1 July	97.00	4.72
*Vancouver	5	15 Jan., 1970	15 July	83.00	6.17
Winnipeg	5	1 Mar., 1944	1 Sept.	90.15	6.25
*Edmonton	5½	1 Apr., 1947	1 Oct.	82.85	7.50
Calgary	5	1 Jan., 1943	1 July	79.60	8.00
Halifax	6	1 July, 1951	1 July	107.55	5.35
Saint John	5	15 Dec., 1950	15 June	96.35	5.25
Regina	4½	1 July, 1950	1 July	71.00	7.50
Victoria	5	21 July, 1945	21 July	87.30	6.50
Quebec	5	1 June, 1948	1 June	101.00	4.90

*Payable in New York.

Listed Bond Quotations

Week Ending April 17

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1933 High	Low
Abitibi, 1st mtge.§	5	1953	...	13	...	...	13	13
Asbestos	5	1942	...	21	...	...	*65½	49
Asbestos, 1st mtge.	6	1941	...	5½	...	...	*20	14
Do., gen. mtge.	6	1956	...	...	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	62	...
Can. Cottons	5	1940	...	...	...	...	*91	90
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	19⅞	19⅞
Can. Pr. (Laur.)	5½	1958	...	†5	...	...	*7	5
Do. (Way. Ser.)	5½	1958	...	...	...	...	*28½	5½
Can. S.S. Debs.	5	1943	...	...	...	...	*83½	...
Cedars Rapids	5	1953	...	...	...	...	108	108
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	...	...	...	37	...
McNish	6	1948	...	1.00	...	...	1.50	1.00
Mex. L. & Pr.	5	1940	...	†55	...	...	*73½	70½
Mtl. L.H.&Pr. debs.	3	1939	...	41	41	40¾	43	39¾
Mont. Tr. 1st mtg.§	5	1941	5.54	...	...	...	98½	96½
Mont. Trams. "A"§	5	1955	8.55	...	65	...	77⅞	58
Do., G. & Ref. "B"	5	1955	7.47	...	...	...	73½	...
Do., "C"	4½	1955	9.03	...	...	...	57	57
Do., "D"	5	1955	7.14	...	...	...	77⅞	76½
N. S. Steel	5	1959	...	†78	...	...	*62⅞	59
Ontario Steel	6	1943	...	80	...	...	*100½	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Canada§	6	1940	...	103	...	...	*102⅞	100
Wayagamack	6	1951	...	...	...	...	*75	45
Winnipeg Elec.§	5	1935	...	...	...	...	*86	...
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada	6	1940	...	...	...	...	*102½	...
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	...	115.00	...	...	116.25	115.80
Victory Loan	5½	1933	3.74	100.50	...	...	100.75	100.30
Do.	5½	1934	4.18	101.50	...	...	102.60	101.35
Do.	5½	1937	3.18	110.12	109.75	...	110.25	109.75
Do., refund	4½	1940	4.54	99.50	...	...	101.25	99.70
Do., refund	5	1943	4.66	102.62	...	...	103.37	101.85
Do., refund	4½	1944	4.50	99.25	...	...	99.75	98.75
Do., refund	4½	1946	4.55	99.25	...	...	*92.25	91.50
Do., renewal	4	1952	4.60	92.00	92.37	...	93.25	91.63
Conversion Loan	4½	1956	4.60	97.25	...	...	98.50	97.00
Do.	4½	1957	4.78	97.25	...	...	98.25	96.00
Do.	4½	1958	4.62	98.00	...	...	99.37	97.75
Do.	4½	1959	4.64	98.37	...	...	100.15	97.50
Nat. Service Loan	5	1936	4.15	102.25	...	...	103.25	101.50
Do.	5	1941	4.62	102.50	...	...	103.75	100.75
Dom. Loan	4	1935	4.17	99.50	...	...	99.75	99.75

†Latest ask ‡Quotations for 1930. *For 1931. *For 1932. None recorded in 1933 to date. §Payable in Canada and New York

Winnipeg Stock Exchange

(Transactions for week to April 13)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Apr. 13
..	..	Bobjo	500	.12½	.12½	.12½
80c	10	Brit. Amer. Oil	30	8	8	8
..	..	Bear Explor. & Radium	100	1.02	1.02	1.02
..	..	Island Lake	1000	.34	.34	.34
4	..	Canadian Fire	15	50	50	50
35c	..	North Star Oil, pfd.	100	1¾	1¾	1¾
..	..	San Antonio	100	1.01	1.01	1.01
..	..	Western Grocers, c.	135	9	9	9
7	12.5	Do., pref.	4	56	56	56

Stocks Not Traded in During Week*

	Bid	Ask
Beaver Lumber pf.	..	65
Beaver Fire	..	100
City Dairy 7% pf.	..	35
City Dairy 8% pf	..	40
Cres. Cream. pfd.	..	45
Home Investment	20	..
Great West Life	..	245
Nor. Mtg. part pd.	..	5
Pelissiers, pref.	10	20
Northern Trust	..	21

	Bid	Ask
Sovereign Life 25% pd.	10	14
United Grain	10½	..
West. Breweries	..	1½
Traders' Bldg. Ass.	..	72
Can. Amer. Tr. shs.	..	2½
Fundamental Ser. A	..	3½
Fundamental Ser. B	..	3⅜
Group Inc. shs.	3.05	3.45

*Stocks more active on other exchanges not included.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotaiton giving an idea of approximate price is better than none at all.

Animals Born on Fur Farms Totalled 165,378 in 1931

The number of fur bearing animals born on fur farms in 1931 was 165,378, exclusive of muskrat and beaver, of which no particulars can be obtained. Silver foxes born numbered 123,573, mink 28,510, cross foxes 4,398, red foxes 3,106, raccoons 2,220, blue foxes 1,729 and fitch 1,109.

Average prices obtained in 1931 for fur bearing animals sold from fur farms were: Fisher $120, blue fox $95, silver fox $86, nutria $87, beaver $76, mink $29, badger $24, Karakul sheep $11, red fox $15, raccoon $10, coyote $7, muskrat $4.37.

Average prices obtained in 1931 for pelts sold from fur farms were: Fisher $36, silver fox $29, blue fox $19, badger $15, white fox $14, beaver $12, marten $11, red fox $9, coyote $7, mink $5, raccoon $4, fitch $3, Chinchilla rabbit $1.16, skunk $1, muskrat 82 cents.

CAN. UNIVERSITIES SEEKING POSITIONS COMMERCE GRADS.

U. of T. Will Graduate 100 in Commerce and in Economics

Difficulties in obtaining employment for commerce graduates this year are apparently being contemplated by Canadian universities. The University of Toronto has sent out a memorandum to a number of business men, requesting their cooperation in obtaining positions for some 100 students who are expected to graduate in Commerce and Finance and in Economics next June.

The same condition may apply to other Canadian universities, such as McGill, Queens, Western Ontario, Manitoba, etc. It would appear to be an attractive opportunity for some firms to acquire promising young men.

The University of Toronto letter states, in part:

"Next June, some 70... students will graduate in Commerce and Finance from the University of Toronto, and some 30 students from allied economics courses. The majority of these will be looking for business positions. In the past their predecessors have found such positions with comparative ease . . . The great majority of them have made good, in the companies with which they started . . .

"The academic staff . . . in Commerce and Finance is treating as a national question this problem . . . believing it a matter of national importance that . . . such carefully selected young Canadians . . . should be put in touch with business opportunities with the minimum of delay.

Education Exported

"We know that during previous depressions . . . a large proportion of educated Canadians has been drained off to the United States in times of revival . . . to give to the United States the benefit of a training acquired in and paid for by Canada.

"We sincerely believe that (from the standpoint of the far-sighted business executive), it is of the first importance to keep on recruiting a steady stream of carefully selected juniors, who show promise of developing executive capacity in the future . . ."

"It has been our boast in the past that practically none of our graduates were compelled, in their search for employment, to leave Canada. We hope that this record will be maintained.

"As always, introductions of students to business executives are being accompanied in each case by a confidential report.

"It is hoped that notifications of business opportunities for graduates will be sent to the Supervisor of Studies for the course in Commerce and Finance, at the Economics Building, 273 Bloor St. W., Toronto . . . not later than May 1."

SPRING BUSINESS IS DISAPPOINTING

Wholesalers and Retailers Report Only Slight Improvement

Weekly trade report of the Canadian Credit Men's Trust Association, for the week ending April 15, is as follows:

Halifax — Wholesale and retail trade report very little change and no noticebale improvement in spring trade. Collections continue slow.

Saint John—Wholesale trade continues about the same, small but frequent orders. Retail trade in most lines moving slowly. Collections only fair.

Montreal — Volume in wholesale groceries reported as very fair; dry goods showing some improvement but still somewhat dull; boots and shoes moving moderately well; men's wear in better demand; ladies' wear fairly satisfactory but still much below season's usual demand; hardware shows a slight increase in sales. Retail merchants, both city and country, report that with the advent of Easter, increased business has been noted but volume far below normal season's demands. Collections: wholesale, very fair; retail, poor.

Toronto—Practically no change reported in conditions from last week and trade generally report small volume of business continues in most lines. Ladies wearing apparel and millinery the only really active trade but prices are still under the hammer. Collections slow.

Winnipeg — Wholesale groceries continue in fair demand. Ladies' wear and millinery lines show some improvement but trade generally not up to usual seasonal demands, due possibly to the continued cool weather. Other lines continue to move slowly. Collections fair.

Regina.—Wholesale groceries fair to good, slightly down as compared with last year; dry goods, more normal although slightly lower than last year, due to fewer relief orders; hardware fair. Retail trade, both city and country, very quiet. Collections: wholesale, difficult except on current accounts; retail, city fair to slow; country, nil

Moose Jaw—Wholesale and retail groceries and wholesale boots and shoes fairly good; wholesale and retail hardware and retail dry goods fair. Collections fairly good.

Saskatoon—Volume in wholesale groceries continues fair; other lines moving only fairly satisfactorily. Retail trade not up to usual seasonal demands. Collections continue fair.

Calgary—Wholesale and retail groceries moving out in fair volume, all other lines very slowly. Unfavorable weather having adverse effect on spring ladies' wear and millinery trade. Collections: very little being paid on old past dues; current accounts being taken care of promptly.

Edmonton — Wholesale groceries fairly steady. dry goods, boots and shoes, and automotive supplies showing slight increase in volume. Retail trade improving slowly. Collections on current purchases fair, old outstandings inactive.

Vancouver—Very little change in conditions from last week. Hardware and groceries continue in fair demand. Retail trade moving fairly satisfactorily. Collections continue fair to slow.

Cost of Living Index Slightly Down in March

Cost of living was slightly cheaper in March than in the preceding month, the index of retail prices, rents and cost of services of the Dominion Bureau of Statistics falling from 79.0 to 78.9. Declines in the food index and in the heating and lighting index brought about this drop.

Index for 46 food items moved down from 60.6 to 60.4, higher prices for butter, canned salmon and some meats being more than offset by lower levels for fresh eggs, lard, cheese, bread, canned peaches, tea and coffee. The fuel and lighting index receded from 89.3 to 88.9, due to somewhat lower prices for coke and wood, and to a lesser extent for coal. Index numbers of other groups were unchanged.

Trying to Break Hold of Zukor on Paramount

Man Who Rose to Czarship of Industry on Mary Pickford's Shoulders Still in Saddle Under Receiver Canadians Who Exchanged Famous Players Stock on Misrepresentations Resentful

Equity receivership of Paramount Publix Corp. two months ago and voluntary bankruptcy on March 14 still leave open the question of who is to dominate in the attempt at reconstruction.

Canadians who exchanged their Famous Players Canadian Corp. shares for Paramount Publix shares on the basis of a financial statement which withheld vital information are not apt to view with cheerfulness the retention of Adolph Zukor, president, as equity receiver and trustee in bankruptcy along with Charles D. Hilles. They admit that the aging Zukor still knows more about the company than does any other single individual, but they point out that that was of no help in 1930 as he did not share his knowledge of huge commitments made by Paramount when asking the Canadian public to hand back control to the United States. Whatever may have been the rights of the personal contest between N. L. Nathanson, whose showmanship was a potent factor in making the success of Famous Players Canadian Corp., and Adolph Zukor, there was no justification for making the rights of shareholders a mere pawn in the game. Zukor's knowledge at that time was used against them. not for them.

President Roosevelt's new act for securing full information about all vital facts in future financing has as one of its chief justifications the furious financing of which the moving picture theatre industry was the theatre for 15 years. There are a number of Canadians who hope that the act will be retroactive and that the Federal Trade Commission will untangle the past financing of Paramount and some others. One group of bondholders did get an order from the Court asking Zukor and Hilles to show cause why they should not be removed, and the voluntary petition in bankruptcy headed off that effort. In continuing Zukor and Hilles as receivers in equity Judge Bondy stated that it was "for the present."

Directors decided on this action, Mr. Zukor stated, on the ground that it would be more advantageous for the creditors and stockholders of Paramount Publix Corporation if the administration of its assets were carried on under the jurisdiction of the Bankruptcy Court. The principal reason was that it would ensure "a unified administration of the properties and save great expense by avoiding a multiplicity of law suits in the many different states and countries in which the interests of the corporation lie."

There is no doubt that here Zukor is right. This action did head off many law suits. It was estimated that as many as 150 lawyers were striving to gain advantages for their creditor clients. But many creditors do not agree that Zukor should be retained to give this unified administration. The bearing of the new bankruptcy law on the situation not yet apparent. The bill to permit bankrupts to compose or compromise their debts may not be ready in time to apply to Paramount Publix. In any case, Paramount is working to get reductions in rentals and leases all over the United States and Canada so that it may come out of bankruptcy if there comes a business revival sufficiently active to fill movie theatres again. The business itself goes on as smoothly as though there were no receivership or voluntary bankruptcy.

"This will have absolutely no effect upon the production, distribution and exhibition business now carried on under the Paramount name," Mr. Zukor continued. "These functions are carried on by independent subsidiary corporations. The production of pictures at Hollywood is carried on by Paramount Productions, Inc., an entirely-solvent corporation. The distribution of pictures in the United States and abroad is carried on by Paramount Pictures Distributing Corporation and by Paramount International Corporation, both of which are solvent and will continue in business precisely as heretofore.

"The administration of theatres under the Paramount name is also carried on by independent subsidiary operating corporations. The business of these theatre corporations will also continue.

"It is our hope that it will be possible in the near future to offer to the creditors and stockholders of Paramount Publix Corporation a plan of reorganization."

Object to Zukor

Request for permission (to file a petition in bankruptcy) had been demanded by Grenville Clark, attorney for the equity receivers, when attorneys gathered in Judge Bondy's chambers to attend a hearing on a motion to have the equity receivership set aside and bankruptcy receivers appointed.

The motion, made by Samuel Zirn, attorney for minority bondholders, charged that the proceedings in which Mr. Hilles and Mr. Zukor had been appointed equity receivers, had been the result of collusion between Broadway and Twentieth Properties, the petitioner, and Paramount Publix.

"At the time it (the petition) was instituted," said Mr. Zirn, demanding that the action be investigated, "there was an involuntary petition before this court and there also was a proceeding pending before Justice Lydon in Supreme Court. Yet a friendly proceeding for the benefit of bankers and not of the bondholders was begun and receivers were appointed."

Saul E. Rogers, counsel for bondholders, and A. N. Frumberg and Adolph Feldblum, representing the petitioner in the involuntary action filed last January, joined Mr. Zirn in a protest against the continuance of Mr. Hilles and Mr. Zukor as receivers.

Judge Bondy said that he would not appoint any receivers in bankruptcy or otherwise pending a meeting of creditors to select a trustee.

Objection to Zukor is not because of his lack of ability but rather because it is felt by many creditors that his undoubted personal interest in the situation may not work out to their benefit. From the time he got his real advantage over competitors in 1914 by acquiring the services of Mary Pickford, the career of Zukor to 1929 was simply one step after another along the road to domination of the whole industry. Paramount, which he started in 1916, has been the weapon with which he has accomplished this, and there is little wonder if he has come to regard it as his personal property. In the old days, shareholders did quite well by backing him and he doubtless feels that they should continue to do so.

Searching Questions Asked

Zukor's idea apparently is to bring back Paramount eventually into solvency with no questions asked. Some shareholders want to ask questions first and bring back Paramount later. One independent protective committee is asking a series of searching questions about properties acquired during the 1930 expansion period. Daniel W. Blumenthal, representing this committee, announced that an investigation has been started with the object of getting answers to the following questions:

"Why, in 1930, Paramount was caused by its officers and directors, at a time when reasonable and intelligent business men had inaugurated a policy of drastic retrenchment necessary to corporate wellbeing, to continue an expansion programme, thereby involving it in financial commitments which drained its cash resources and strained its credit, all for acquisition of additional theatre properties located in the various states of the Union?

Want Facts

"Why, Paramount, between April 15, 1930 and August 30, 1930, did acquire theatre properties, such as A. H. Blank Theatre Corp., Dent Theatres, Inc., Columbia Broadcasting System, Inc., Publix-Netoco Theatres Corp., William Morris Agenty, Inc., and Strand Amusement Co. and others, and did, shortly after April 15, 1930, acquire 61 theatre properties of the M. E. Comerford holdings in Pennsylvania, New York and Rhode Island, and paid therefor sums of money aggregating several millions of dollars, the necessary funds for which acquisition and repayment of the bank loan occasioned thereby was obtained by the issue of the $15,000,000 20-year 5½ per cent sinking fund gold bonds, due Aug. 1, 1950?

Were Friends Favored?

"In the above connections Paramount Publix stockholders are surely entitled to receive a bill of particulars, which they will, if necessary, take legal steps to obtain, setting forth what transpired by and between officers and directors of Paramount in the negotiations of the acquisition of the above theatre properties. The stockholders are entitled to know whether, as a result of these negotiations involving millions of dollars taken out of the treasury of Paramount Publix, it is true, as charged in one of the verified complaints filed in our State Court:

"That in purchasing many of the said properties, the officers and directors of Paramount negotiated and dealt with friends and business associates whom they desired to favor and did favor, by paying out to said parties from the treasury of Paramount excessive and improvident prices for the properties so purchased and by otherwise improperly and improvidently committing Paramount to liabilities and obligations in and with regard thereto; that Paramount was compelled to and did pay out large sums of money and has sustained large and oppressive losses aggregating many millions of dollars by reason of the foregoing; that the exact extent to which the funds of Paramount have been squandered, wasted and lost by reason of the foregoing cannot be ascertained or determined without an accounting."

"Best Investment"

"Please find my subscription for next year to your interesting journal. It is my best investment."—A Quebec doctor.

"I am pleased to advise you that I am a subscriber to the very valuable Financial Post along with my neighbor. The Financial Post is almost indispensable in Canada. Keep up the good work."—A Yukon business man.

"I greatly enjoy your paper. I look forward weekly to its arrival."—A Vancouver reader.

"Paper full of valuable and instructive information. Would not be without same."
—A Hamilton investor.

Mining Stock Quotations

Week Ending April 17.

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close Apr. 10 (or last)	High for week	Low for week	Close Apr. 17
1	.05	.02	Abana	100	.03	.03	.03	.03
1	.01½	.00½	Aconda	......	.01	.....	.....	.....
No	*.15	.15	Aldermac	......	......	.....	.....	.....
1	.03½	.01	Alexandria	9,000	.02½	.02½	.02	.02½
No	.05½	.02¼	Algoma	10,400	.02¾	.03	.02½	.02½
1	.01	.00¼	Algonquin	......	.00½	.....	.....	.....
1	.01½	.00¼	Amity C.	500	.01½	.01	.01	.01
No	.25½	.10	Amulet	8,449	.16½	.17	.16	.17
1	.01	.00½	Apex	1,000	.00¾	.00¾	.00¾	.00¾
1	.03½	.02	Area	3,000	.02¼	.02¾	.02¼	.02¾
No	.04½	.01½	Arno	124,500	.02½	.03	.02½	.02¾
1	1.36	.74	Ashley Gold	250	1.32	1.35	1.30	1.35
1	.14	.02½	Bagamac	9,500	.07	.07½	.07	.07
1	.03	.00¾	Baldwin	2,000	.00¾	.00¾	.00¾	.00¾
1	.20	.08	Barry Hollinger	6,950	.12	.11½	.11	.11½
No	1.00	.75	Base Metals	200	.80	.80	.80	.80
No	1.00	.98	Beattie	......	.98	.....	.....	.....
1	.21	.08	Big Missouri	2,300	.15½	.15	.13½	.13½
1	.18	.08¾	Bobjo	22,300	.12½	.13	.12	.13
No	3.30	2.28	Bralorne	7,425	2.93	3.30	2.80	3.30
1	.25	.15	Brett Trethewey	7,200	.19	.19	.18	.18
1	.03½	.01½	Brownlee	700	.02½	.02½	.02½	.02½
1	.01	.00½	Buckingham	......	.00¾	.....	.....	.....
No	.04½	.02	Buffalo Can.	2,500	.02¾	.02½	.02½	.02½
No	.03½	.01¾	Bunker Hill	47,550	.02¾	.03	.02½	.02¾
5s	.65	.60	B'Wana McKubwa	......	.65	.....	.....	.....
No	.04	.02¼	Canam Metals	......	.02¼	.....	.....	.....
1	.12½	.03	Can. Kirkland	4,500	.05½	.05½	.05	.05½
1	.01	.00¾	Capital Rouyn	......	.00¾	.....	.....	.....
1	.03½	.01	Cartier Malartic	......	.01	.....	.....	.....
1	.30	.15	Castle Trethewey	8,440	.20½	.25	.21	.25
1	.15	.06	Cen. Manitoba	3,400	.10	.10	.09	.09½
1	.28	.17	Cen. Patricia	7,470	.19	.19	.17	.17
No	.11	.03	Chibougamau Pros.	15,000	.07	.07½	.07	.07
	.10½	.04	Church. M. & Mill.	1,000	.05	.04	.04	.04
No	.02½	.00¾	Clericy	9,500	.01½	.01½	.01	.01½
.	.01½	.01	Clifton Cons.	......	.01	.....	.....	.....
5	3.20	1.65	Coast Copper	300	2.80	2.85	2.75	2.85
1	.02½	.00¼	Cobalt Contact	500	.01½	.02	.02	.02
1	.11	.05	Columario	6,500	.06	.06	.05½	.06
5	1.05	.75	Coniagas	......	.75	.....	.....	.....
No	.45	.20	Coniaurum	1,200	.36	.36	.30	.35
25	72.62	54.00	Cons. Smelters	5,649	67.50	72.50	66.00	71.50
No	18.50	13.60	Dome Mines	10,830	17.05	17.95	16.60	17.75
No	.05½	.03½	Dom. Explorers	1,600	.03½	.04	.03½	.03½
1	.01	.00¾	Dominion Kirk.	......	.01	.....	.....	.....
1	.04	.01	Don Rouyn	1,500	.01½	.01½	.01	.01
1	.04½	.02	Duparquet	8,500	.02	.02	.02	.02
1	1.61	1.16	Eldorado	4,970	1.35	1.38	1.30	1.34
No	2.75	1.80	Falconbridge	4,958	2.65	2.70	2.40	2.65
1	.02¾	.01	Federal	1,000	.01½	.01½	.01½	.01½
No	.02½	.01½	Flintoba	......	.02	.....	.....	.....
No	.02½	.01	Gilbec	18,000	.02½	.02½	.02	.02½
1	.07	.04	Goldale	1,500	.06	.06	.05½	.06
10	.15	.10	Goldfield	......	.10	.....	.....	.....
1	.00¾	.00½	Gold Hill	3,000	.00½	.00½	.00½	.00½
.	.01½	.01	Gold Reef	......	.01	.....	.....	.....
1	.04½	.02	Goodfish	......	.02	.....	.....	.....
1	.03½	.01	Graham	10,000	.01	.02	.01½	.02
1	1.95	1.19	Granada	10,490	1.40	1.41	1.34	1.40
1	.08	.06	Grozelle	......	.07	.....	.....	.....
1	.29	.24	Halcrow Swayze	3,700	.28½	.29	.28½	.28½
1	.04½	.02	Harker	13,000	.04½	.04½	.04	.04
1	.01½	.00½	Hilltop	5,000	.00¾	.01	.01	.01
5	8.75	6.00	Hollinger	14,920	8.15	8.30	7.90	8.20
1	.95	.61	Howey Gold	28,910	.73	.72	.68	.72
No	4.60	3.10	Hudson Bay	7,810	4.10	4.60	4.00	4.00
No	.40	.25	Huronian	100	.30	.34	.34	.34
No	12.10	8.00	Int. Nickel	74,939	11.30	12.10	10.85	11.90
1	.02	.00½	Jackson Manion	1,000	.01½	.00¾	.00¾	.00¾
1	.35	.20	Keeley	600	.33	.31	.30	.30
1	.02	.00½	Keora Mines	......	.00½	.....	.....	.....
1	.76	.48	Kirk. Hud. Bay	100	.50	.50	.50	.50
1	.02½	.00½	Kirk. Hunton	1,000	.00¾	.00¾	.00¾	.00¾
1	.52	.30	Kirkland Lake	8,200	.38	.37	.35	.36½
1	.03	.01½	Kirkland Premier	6,500	.02½	.02	.01½	.01½
1	.22½	.12	Kirk. Townsite	23,800	.19	.19½	.18	.19
20c	.01½	.00½	Koot. Florence	17,500	.00¾	.00¾	.00½	.00¾
1	*.01½	.01½	La Rose	......	.....	.....	.....	.....
1	.18	.08	Lake Maron	9,000	.16	.15½	.10	.14
1	.35	.18	Lakeland	......	.19	.....	.....	.....
1	40.00	30.75	Lake Shore	3,829	35.60	35.00	34.10	34.50
1	.07½	.02½	Lebel Oro	10,200	.04½	.05	.04½	.04½
1	.36½	.20	Macassa	69,340	.35½	.36	.33½	.35
1	.09½	.05	Malartic	15,250	.09	.09½	.08	.09
1	.02½	.01	Malrobic	55,000	.02½	.02½	.01½	.01½
No	.08	.02¾	Mandy	25,900	.03½	.06½	.04	.06
No	.03	.01½	Manitoba Basin	7,500	.01½	.01½	.01½	.01½
5	27.60	21.20	McIntyre	1,780	25.30	25.75	24.25	25.25
1	.50	.30	McKinley	800	.41	.46	.41	.46
No	.08	.02½	McLeod River	35,500	.03½	.03¾	.03	.03
1	.09½	.03	McMillan	7,000	.08	.09	.08	.08
No	.75	.46	McWatters	4,200	.55	.55	.55	.55
1	.40	.15	McVittie	90,596	.32½	.40	.30	.39½
5	1.00	.06	Mentor Exp. & Dev.	......	.55	.....	.....	.....
No	1.80	1.20	Mining Corp.	3,795	1.45	1.46	1.40	1.40
1	.03	.01½	Moffatt Hall	13,500	.02	.02½	.02	.02½
1	.06½	.02	Moneta	......	.02½	.....	.....	.....
1	.00½	.00½	Montreal Rouyn	500	.....	.00½	.00½	.00½
1	.40	.12	Moss	47,750	.15	.15	.13½	.14½
1	.02½	.00¾	Murphy	......	.01½	.....	.....	.....
No	.05	.02½	Newbec	4,500	.03	.02½	.02½	.02½
1	.06	.01½	Night-Hawk Penn.	7,500	.03½	.04	.03	.03½
5	1.95	1.15	Nipissing	3,800	1.51	1.60	1.51	1.60
No	25.50	19.75	Noranda	8,588	23.75	23.85	23.00	23.75
No	.52	.32½	Nor. Canada	1,160	.38	.40	.38	.38
No	.23	.20	Normont-Gold	500	.20½	.20½	.20½	.20½
No	.02¾	.00¾	Old Colony	61,500	.01½	.01½	.00¾	.01½
1	.14	.05	Osisko	......	.08	.....	.....	.....
1	.25½	.11	Parkhill	34,600	.25	.25½	.24	.25½
1	.03½	.01½	Pawnee Kirk.	......	.02½	.....	.....	.....
1	.80	.54	Pend Oreille	2,400	.75	.80	.71	.75
1	.01½	.00½	Peterson Cobalt	......	.01	.....	.....	.....
1	7.35	4.30	Pioneer Gold B.C.	13,400	6.60	7.35	6.50	7.25
1	.01½	.00¾	Porcupine Crown	......	.00¾	.....	.....	.....
1	.01	.00½	Potter Doal	......	.00½	.....	.....	.....
1	.82	.55	Premier Gold	11,325	.59	.60	.55	.60
1	.02½	.00½	Preston E. Dome	2,000	.01	.00¾	.00¾	.00¾
No	.95	.68	Prospectors Air's	2,300	.75	.90	.80	.80
No	*1.00	1.00	Quebec Pros.	......	.....	.....	.....	.....
No	.15	.03	Quemont	1,000	.10	.10	.07	.10
1	.02½	.00½	Ribago	4,600	.00¾	.00¾	.00½	.00¾
1	.03	.01½	Ritchie	5,000	.02	.02	.02	.02
1	.04	.01	Robb Montbray	3,000	.01½	.01½	.01½	.01½
1	1.21	.75	San Antonio	19,663	1.01	1.05	.95	1.03
1	.03	.03	Seven Troughs	......	.03	.....	.....	.....
1	.54	.33	Sherritt Gordon	17,520	.46	.47	.40	.45
1	1.77	1.25	Siscoe	45,140	1.62	1.60	1.51	1.57
1	.10½	.03	South Keora	500	.03½	.03½	.03½	.03½
No	.06	.01¾	Stadacona	154,400	.02½	.03	.02½	.02½
1	.14	.07	St. Anthony	2,500	.10	.08½	.08	.08
No	1.07	.60	Sudbury Basin	2,400	.97½	.93	.90	.91
1	.06½	.00½	Sudbury Contact	55,900	.06½	.06½	.05½	.06½
1	.01	.00½	Sudbury Mines	......	.00½	.....	.....	.....
No	.16½	.16½	Sudbury Nickel	......	.16½	.....	.....	.....
1	.38½	.20	Sullivan	8,700	.31½	.32	.31	.32
1	1.21	.72	Sylvanite	20,050	.90	.90	.85	.88½
1	.03½	.01½	Tashota	......	.01½	.....	.....	.....
.	.18½	.15½	Tashota Goldfield	......	.18½	.....	.....	.....
1	5.10	3.70	Teck Hughes	21,500	4.50	4.47	4.25	4.40
1	.10	.03	Thom. Cadillac	5,500	.06	.06	.04	.04½
1	.20	.10	Towagmac	200	.15	.16	.15	.15
1	2.00	1.00	Treadwell	100	1.25	1.25	1.25	1.25
1	.08	.04	United Kirkland	......	.07	.....	.....	.....
No	.06½	.01½	Vacuum Gas	13,500	.02½	.02½	.02	.02
No	2.40	2.30	Venezuela Gold	......	2.35	.....	.....	.....
No	1.28	.80	Ventures	23,380	1.03	1.04	.98	1.01
1	.22	.09	Vickers	4,000	.13	.12½	.10	.10
1	.41½	.20	Vipond	8,850	.39	.40	.38	.39
No	.60	.35	Waite Ackerman	1,100	.49½	.50	.42	.50
1	.04¾	.02½	White Lake	1,000	.02½	.02½	.02½	.02½
1	.08	.02	Wiltsey Coughlan	6,000	.06½	.06½	.05½	.06
1	.12	.07	Wood Kirkland	......	.11	.....	.....	.....
No	5.05	3.73	Wright-Hargreaves	13,070	4.65	4.70	4.51	4.63
			OIL STOCKS					
No	.12	.08	Acme Gas & Oil	2,700	.08	.08½	.08	.08½
1	.82	.55	Ajax	2,000	.57	.59	.55	.56
1	.10	.05	Alta. Pacific	600	.08	.07	.07	.07
1	.07½	.05½	Amalgamated	5,000	.06½	.06½	.06	.06
No	.07	.04½	Associated	......	.05½	.....	.....	.....
No	.02¾	.01	Baltac	1,500	.01½	.01½	.01½	.01½
1	*.05	.02½	Brit. Dominion	......	.....	.....	.....	.....
No	.35	.25	Calgary & Ed.	......	.28	.....	.....	.....
1	.05	.03	Calmont	500	.03	.03	.03	.03
1	.06	.03½	Common. Pete.	......	.03½	.....	.....	.....
No	.20	.05	Dalhousie	375	.12	.14	.12	.14
No	.02	.02	Devenish	......	.02	.....	.....	.....
No	*.02	.00½	Dome Oil	......	.....	.....	.....	.....
No	.08	.05½	East Crest	......	.06	.....	.....	.....
	.25	.25	Erie Gas	......	.25	.....	.....	.....
No	.00¾	.00½	Fabyan Pete	30,000	.00½	.00½	.00½	.00½
No	.10	.06	Foothills	......	.06	.....	.....	.....
No	.05½	.04	Freehold	400	.04	.04½	.04	.04½
1	*.02	.00½	Great West	......	.....	.....	.....	.....
No	*.06½	.03	Hargal	......	.....	.....	.....	.....
No	*.05	.02	High Sarcee	......	.....	.....	.....	.....
No	.45	.30	Home	1,350	.34	.41	.36	.41
No	*.05	.01½	Homestead	......	.....	.....	.....	.....
1	.20	.10	Homest'd O. & G.	6,600	.10½	.11½	.10½	.11
1	*.01	.00½	Illinois Alberta	......	.....	.....	.....	.....
No	*.02½	.00½	Lethbridge	......	.....	.....	.....	.....
No	*.10	.04	Lowery	......	.....	.....	.....	.....
No	*.02	.00¾	Madison	......	.....	.....	.....	.....
1	.21	.14	Mayland	300	.18	.20	.20	.20
No	*.04	.01½	McD. Segur Ex.	......	.....	.....	.....	.....
1	*.04	.01	McD. Segur N.	......	.....	.....	.....	.....
1	.28	.25	McLeod	......	.25	.....	.....	.....
No	.09½	.07½	Mercury	1,200	.07½	.08	.07½	.08
No	.15	.12½	Merland	......	.12½	.....	.....	.....
No	*.15	.08½	Mill City Pete	......	.....	.....	.....	.....
1	.18	.12	Model	......	.16	.....	.....	.....
1	*.05	.04	Monalta	......	.....	.....	.....	.....
1	*.07	.03	Moose Mountain	......	.....	.....	.....	.....
1	*.01	.01	New Federal	......	.....	.....	.....	.....
5	.20	.00	Nordon	5,200	.11	.12	.11	.11½
1	.04	.02½	Oil Selections	700	.03½	.03½	.03½	.03½
No	.06	.04½	Okalta	......	.04½	.....	.....	.....
No	.31	.20	Olga Gas & Oil	3,500	.26½	.24½	.23	.23
No	.03½	.01	Penn. Pete	56,000	.02½	.03	.01½	.01½
1	.17	.13	Petrol Oil & Gas	2,000	.15	.16	.16	.16
No	*.14	.08	Ranchmen's	......	.....	.....	.....	.....
1	*.01	.00½	Regent	......	.....	.....	.....	.....
No	*.02½	.01	Richfield	......	.....	.....	.....	.....
No	7.10	6.00	Royalite	55	6.25	6.25	6.00	6.00
1	.11	.05½	Sarnia Oil	11,900	.06	.06	.05½	.05½
1	*.03	.01	Signal Hill	......	.....	.....	.....	.....
1	.07	.04	South West Pete.	......	.04	.....	.....	.....
1	*.30	.10	Spooner	......	.....	.....	.....	.....
No	.15	.12	Sterling Pacific	......	.14	.....	.....	.....
.	.43½	.43½	Trinidad Oil	......	.43½	.....	.....	.....
1	*.11	.07½	Turner Valley	......	.....	.....	.....	.....
No	.08	.03	United	......	.03	.....	.....	.....
1	*.09½	.03	Vulcan	......	.....	.....	.....	.....
No	.01	.00½	Wainwell	......	.00½	.....	.....	.....
			VANCOUVER STOCK EXCHANGE (Transaction for Week to April 11)					
25c	*.00¾	.00½	Bayview	......	.....	.....	.....	.....
1	.75	.60	B. C. Silver	......	.75	.....	.....	.....
20c	.05½	.02½	Beaver Silver	3,000	.04	.04	.04	.04
1	.17	.14½	Big Slide	3,300	.15	.15½	.15	.15
25c	.03	.02½	Bluebird	......	.02½	.....	.....	.....
No	3.00	1.38	Bralorne	21,805	2.45	3.00	2.45	2.90
1	.15	.05	Bridge River Cons.	183,600	.13½	.13½	.11	.11½
100	89.00	88.50	B. C. Electric, Pfd.	......	88.50	.....	.....	.....
1	2.85	1.50	Cariboo Gold	5,440	1.95	2.00	1.65	2.00
No	7.50	5.60	Coast Breweries	......	7.00	.....	.....	.....
25c	.01	.00½	Cork Province	......	.01	.....	.....	.....
1	.02½	.02½	Cotton Belt	......	.02½	.....	.....	.....
1	.04	.00¾	Dalhousie Mines	......	.02	.....	.....	.....
1	.44	.38	George Copper	50	.40	.40	.40	.40
50c	*.02	.01	Geo. Enterprise	......	.....	.....	.....	.....
1	.03½	.02	Georgia River	10,000	.02½	.02½	.02½	.02½
1	.22	.16	Golconda	......	.18	.....	.....	.....
50c	.05½	.03½	Grandview	2,500	.04½	.04½	.04	.04
1	.00¾	.00½	Independence	......	.00½	.....	.....	.....
1	.01½	.01	Indian Mines	......	.01	.....	.....	.....
1	.13½	.08½	Inter. Coal	6,000	.13½	.11	.09½	.09½
1	*.21	.21	Jack Waite	......	.....	.....	.....	.....
25c	.00½	.00½	Kootenay King	......	.00½	.....	.....	.....
10c	.02	.01	Lucky Jim	......	.01½	.....	.....	.....
	.20	.20	Meridian	3,500	.....	.20	.20	.20
5c	*.12	.04	Metaline Metals	......	.....	.....	.....	.....
1	.01½	.00½	Morton Woolsey	......	.10	.....	.....	.....
50c	.03½	.00¾	National Silver	61,000	.02½	.02½	.02½	.02½
50c	.07	.02½	Noble Five	34,500	.06	.06½	.05½	.06
50c	.01	.00½	Oregon Copper	......	.00½	.....	.....	.....
1	6.65	4.30	Pioneer Gold	6,145	6.20	6.65	6.10	6.65
	.10	.10	Planet Mines	500	.....	.10	.10	.10
50c	.08½	.04½	Porter Idaho	16,600	.06½	.07	.06	.07
No	.00¾	.00½	Premier Border	......	.00¾	.....	.....	.....
No	.20	.15	Reeves McDonald	......	.15	.....	.....	.....
	.05½	.04	Reward Min.	5,000	.....	.05½	.04	.05½
1	.90	.60	Reno Gold	86,095	.73	.90	.73	.82
1	.02½	.01	Rufus Argenta	......	.01	.....	.....	.....
1	.03½	.02½	Ruth Hope	14,500	.03½	.02½	.01	.01
1	*.05	.02	Silverado	......	.....	.....	.....	.....
25c	.04½	.01	Silver Crest	48,500	.03½	.04½	.03½	.03½
50c	.01½	.01	Snowflake	......	.01½	.....	.....	.....
1	.25	.25	Sunloch	......	.25	.....	.....	.....
No	*.06	.05	Vanalta	......	.....	.....	.....	.....
50c	.08	.08	Wayside	......	.08	.....	.....	.....
25c	.02½	.02	Waverly Tangier	18,000	.02½	.02½	.02	.02½
20c	*.02½	.01	Wellington	......	.....	.....	.....	.....
1	.05	.03	Whitewater	......	.04½	.....	.....	.....

*Quotations for 1932. No sales recorded in 1933 to date.

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	8c.	14.28	Merland Oils†	2½c.	....
Coniagas‡	12½c.	....	Noranda	*$1.10	....
Coniaurum†	3c.	....	Petrol Oil	*2c.	....
Cons. Smelters*	10%	....	Premier	12c.	20.00
Dome Mines	$1+30c.	7.32	Pioneer, B.C.	24c.	3.31
Falconbridge	10c.	....	Royalite	*$1.50	....
Hollinger	65c.+10c.	9.14	Siscoe	12c.	7.64
Howe Sound	40c.	....	Sterling Pacific Oil†	2½c.	....
Lake Shore	$2+$1	8.69	Sylvanite	4+1c.	5.65
McIntyre	$1.50	5.94	Teck Hughes	60c.	13.62
McLeod Oils‡	5c.	....	Wright-Har.	20c.	4.32

*Stock. ‡Interim. †Initial. *Paid in 1932.

BUILDING PERMITS REMAIN VERY LOW

March Total of 61 Cities Amounts to Only $1,000,000

Although building permits issued in March were slightly higher than in the previous month, the total of less than $1,000,000 is the second smallest recorded in the past ten years. Permits issued in the 61 leading cities of the Dominion amounted to $934,555 of which $868,068 were issued in the first 35 cities.

Permits issued in the first quarter of the year amounted to slightly over $3,000,000, one third of the amount during the same period of 1932 and only 7 per cent of the peak reached in the first three months of 1929. On the basis of 1926 equals 100, the index number for the first quarter is 13.4.

Permits issued in the fifteen leading cities compared with March, 1932, are as follows:

Building Permits in Leading Cities	March, 1933	March, 1932
Montreal	$183,516	$839,108
Toronto	168,202	630,668
Vancouver	97,730	186,715
Halifax	74,595	50,560
London	44,175	79,060
Ottawa	34,505	351,275
Fort William	33,250	11,050
Winnipeg	31,200	35,850
Hamilton	28,826	113,500
Calgary	24,300	49,943
Victoria	20,246	35,846
Westmount	17,853	650
Saint John	16,900	12,505
York & East York Twps.	15,730	385,508
Quebec	15,530	71,785

Extend Mortgage Holiday for Another Year in B. C.

From Our Own Correspondent

VANCOUVER.—British Columbia's mortgage moratorium act is to be continued as it stands for another year. The government, however, has decided against extending the act to make it cover interest and taxes as well as principal as has been urged.

The courts will be able to extend the present allowance of a year for redemption of foreclosure property if circumstances seem to warrant such a course.

ST. LAWRENCE PAPER UNITS SHOW LOSSES

(Continued from page 11)

the deficit at December 31, 1931, of $51,987 was increased to $404,737 at the end of 1932. Particulars of the income account follow:

	1932 $	1931 $
Oper. profit	388,739	569,963
Deprec. & deplet.	174,117	262,443
	214,622	307,520
Bond interest	307,176	318,369
	*92,554	*10,849
Debenture interest	183,576	186,035
	*276,130	*196,884
Postponed int.	6,652	......
	*282,782	*196,884
Invent. write-off	206,361	......
	*489,143	*196,884
Profit in bonds	85,891	43,133
	*403,252	*153,751
From reserves	50,502	......
	*352,750	*153,751
Prev. surplus	*51,987	101,764
P. & L. bal.	*404,737	*51,987

*Deficit.

WORKING CAPITAL POSITION

	1932 $	1931 $
Current assets	1,150,761	2,239,539
Current liabs.	1,005,761	1,905,156
Working capital	145,000	334,383

Brompton Pulp

Brompton Pulp and Paper Co.'s income account shows a sharp change from that reported in 1931. Net profit of $174,321 being changed to an operating deficit of $670,930. This does not altogether show a true picture of the income account, as an adjustment is now being worked out to determine the amount payable to Brompton for tonnage transferred during 1932. The auditors state that while the basis of computation has not been settled, on one basis which is being put forward the amount payable would be $243,104. No amount has been set up in the books of the company to cover this item.

Following the lead set by St. Lawrence Paper Mills, Brompton has made heavy write-offs on inventories and investments, with the result that the income account for the year shows a deficit of $1,803,034, as against a deficit of $95,244 in 1931. Comparative income accounts for 1932 and 1931 follow:

	1932 $	1931 $
Net profit	^670,930	174,321
Depreciation	101.131	183,513
Depletion	8,630	11,051
Balance	*780,691	*20,244
Dividend	......	75,000
Balance	*780,691	95,244
Invent. write-off	648,326	......
Balance	*1,429,017	*95,244
Invest. write-off	317,431	......
Fire loss	56,586	......
Year's deficit	1,803,034	95,244
Prev. surplus	†1,343.259	1,653,678
Balance	*459,775	1,558,434
Sub's. deficit	......	‡229,534
P. & L. bal.	*459,775	1,328,900

^Net operating loss. *Deficit.

†Including $14,360 profit on bonds redeemed.

‡McCrea-Wilson Lumber Co. deficit as at December 31, 1930.

WORKING CAPITAL POSITION

	1932 $	1931 $
Current assets	2,165,036	3,893,930
Current liabs.	220,763	480,966
Working capital	1,944,273	3,412,964

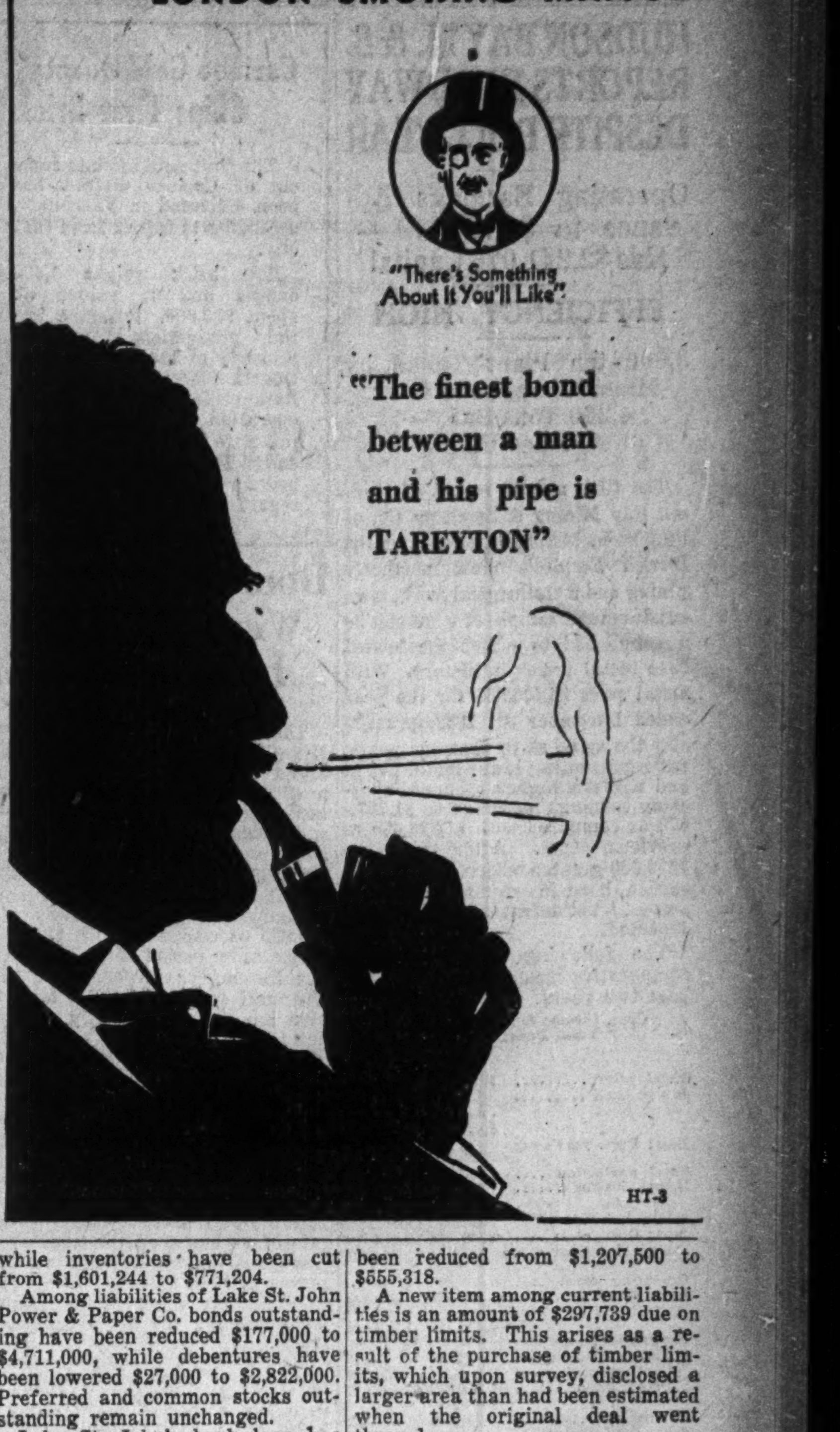
Balance sheet of Lake St. John Power and Paper Co. shows assets at the end of 1932 of $14,961.744. This compares with $17,406,049 at the end of 1931. Principal change is in the decline of fixed assets from $15,081,774 to $13,393,043.

Among current assets, accounts and bills receivable have been reduced nearly one-half to $353,452, while inventories have been cut from $1,601,244 to $771,204.

Among liabilities of Lake St. John Power & Paper Co. bonds outstanding have been reduced $177,000 to $4,711,000, while debentures have been lowered $27,000 to $2,822,000. Preferred and common stocks outstanding remain unchanged.

Lake St. John's bank loan has been reduced from $1,207,500 to $555,318.

A new item among current liabilities is an amount of $297,739 due on timber limits. This arises as a result of the purchase of timber limits, which upon survey, disclosed a larger area than had been estimated when the original deal went through.



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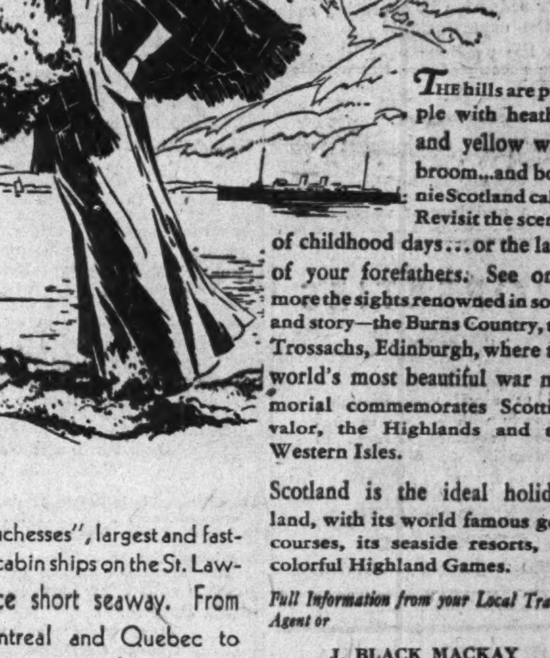

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Canadian Mining News

HUDSON BAY M. & S. REPORTS HEADWAY DESPITE DULL YEAR

Operating Earnings Advance to $1,727,670—Has $2,241,076 Capital

EFFICIENCY HIGH

3,000-ton Plant Tuned by Minor Changes to Over 4,200 Tons Daily—Sales Up

The fifth annual report of Hudson Bay Mining & Smelting Co. of Flin Flon, Manitoba, operating the British Empire's most northerly mining and metallurgical work, is an outstanding example of what can be accomplished to offset the lowest base metal prices in history. With metal sales $5,406,668 for the year ended December 31, 1932, practically the same as in previous years, but representing lower metal prices and a much higher tonnage, operating earnings increased to $1,727,670 as compared with $1,376,620 in previous years. After deducting $400,000 greater reserves for depreciation, bond interest and other reserves, a net deficit of $298,955 was reported.

The following tabulation gives comparative income figures for the past two years:

Cons. Income & Surplus Account Years Ended Dec. 31

	†1932	†1931
	$	$
Metal sales	5,406,668	5,401,313
Ore on hand	282,092	210,792
	5,688,760	5,612,105
Less: Prev. year's ore	210,792	269,321
Total production	5,477,968	5,342,784
Miscel. income	144,764	258,508
	5,622,732	5,601,292
Less: Oper. costs	2,928,248	3,412,420
Freight & other exp.	966,814	812,252
Operating earn.	1,727,670	1,376,620
Less: Interest	329,529	346,692
	1,398,141	1,029,928
Less reserves:		
Amort. deb. disc.	18,147	17,228
Contingency	......	50,000
Depreciation	1,678,949	1,264,647
Net deficit	298,955	301,947
Add: Prev. deficit	299,031	*2,916
Bal. forward	597,986	299,031
Times All Interest Earned:		
Before deprec.	5.24	3.97
After deprec.	0.15	0.32
Shares Outstanding as at Dec. 31:		
Common, n. p. v.	2,500,000	2,500,000

*Profit. †In United States currency.

With an expenditure on capital account of $330,112 and a number of minor changes in plant equipment and flow sheets, the efficiency of operations has been greatly increased over the original designed capacity of 3,000 tons daily. At the close of 1932 milling operations had been brought up to 4,242 tons daily with a corresponding reduction in operating costs in all the departments.

As in the previous year, the open pit mine accounted for the principal ore supply with no difficulty experienced in maintaining operations through severe weather.

Underground development work was limited to sinking a winze 306 ft. below the 600 ft. level, deepening the No. 3 shaft to provide improved ventilation and lateral work, including connecting the No. 3 and main shafts.

The following tabulation gives summary of production operations for the past two years:

	1932	1931
Metals prod. & sold:		
Gold, oz.	82,565	73,000
Silver, oz.	933,983	702,128
Copper, lbs.	42,158,235	31,068,556
Zinc, lbs.	41,736,600	35,056,199
Open pit mine prod., tons	872,931	706,564
Assay value:		
Gold, oz.	.076	0.076
Silver, oz.	1.05	1.01
Copper, %	1.71	1.8
Zinc, %	3.7	3.5
Undergnd. mine prod., tons	564,294	390,693
Assay value:		
Gold, oz.	0.99	0.120
Silver, oz.	1.22	1.3
Copper, %	2.39	2.19
Zinc, %	3.7	4.4

That the company has made real progress despite the unprecedented low level of prices for base metals is further evidenced in the balance sheet which shows that the $900,000 bank loan appearing in last year's statement, has been liquidated. The working capital has increased to $2,241,076 at the year end as compared with $1,346,985 at the end of the previous year.

Indications are that the company will also be an important producer of cadmium in future years. As a by-product of the zinc plant a high grade cadmium sponge containing 57,397 pounds of metallic cadmium has been produced and it is expected that during 1933 the necessary plant will be installed to produce a saleable high grade metallic cadmium.

The production stride that has been set, together with the high efficiency prevailing, indicates that 1933 will see a substantial increase in production with the company's entire production sold under contract.

Costs Per Ton of Ore

	1932	1931
	$	$
Operating costs including admin. and gen. exp.	2.03	3.13
Bond int., deprec. & reserves	1.41	1.54
Total costs per ton	3.44	4.67

The annual meeting of the company is called for April 18, in Woodstock, Ontario.

Cariboo Gold Quartz Ships First Brick

The first gold brick to come out of Cariboo district has been delivered in Vancouver, according to report from that city.

The brick weighs 1,407 ounces and is valued at about $33,000. It is the initial production from the property of the Cariboo Gold Quartz Mining Co., near Barkerville. The mill started operation early this year at the rate of about 35 tons daily. This was recently stepped up to 60 tons daily, the report says.

Dome Earnings Were $825,362 In First Quarter

The quarterly report of Dome Mines, covering the three months ended March 31, 1933, showed a profit of $825,362 after deducting exploration and general expenses and taxes, but before depreciation and reserves. This compares with $529,028 in the same period of 1932.

Bullion production, exclusive of exchange compensation, was $1,158,825 as compared with $956,954 in the same period of 1932 reflecting the higher recovery per ton. The mill treated 135,750 tons to give an average recovery of 8.52 per ton.

Earnings in the first quarter of 1933 were further sweetened by approximately $30,000 received as a dividend of 1s. 6d. per share on the 90,000 shares of East Geduld Mines held.

Earnings in the first quarter were equivalent to approximately 75 cents per share, or at an annual rate of $3 based on the production costs and before depreciation reserves in 1932.

George Gold Inactive

The eighth annual report of the George Gold-Copper Mining Co. for the year ended December 31, 1932, states no development work was performed at the property in British Columbia during the year. The financial statement shows liabilities to the Consolidated Mining & Smelting Co. for development advances totalling $33,737. Consolidated Smelters owns 1,390,000 out of the 1,500,000 shares authorized.

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TREADWELL YUKON SHOWS INCREASE IN NOTES PAYABLE

Bussieres Property in Quebec Only Mine in Production

The eleventh annual report of the Treadwell-Yukon Co., covering the year ended December 31, 1932, marks the closing of its operations in the Yukon and an aggressive programme for the development of new gold properties.

Public interest in the company is limited to 155,860 shares out of the 1,500,000 outstanding. The balance of the issued stock is held by the Bunker Hill and Sullivan Mining & Concentrating Co., and its associated interests.

Canadian interest in the company now centres about its 90 per cent share holding in the Bussieres Mining Co., developing a gold prospect in the Pascalis area of Quebec which was brought into production last September.

This is the only property controlled by the company that is on a production basis, the Errington mine in the Sudbury area having suspended operations in November, 1930, the Nevada mines suspending in October, 1931, while the final extraction was taken from the various properties known as the Wernecke mines in the Yukon in 1932.

Advances Total $9,071,000

Jointly with the Alaska Juneau Gold Mining Co., Treadwell has conducted prospecting on the Whitewater and two contiguous gold prospects in the Taku River area of British Columbia, as well as maintaining a small crew to explore prospects in California.

The profit and loss statement for the year ended December 31, 1932, recorded a deficit of $260,225. This, together with write-offs for exploration, general expenses and interest on outstanding loans, made the deficit for the year $1,560,990.

The parent company and associated interests have financed Treadwell's operations, taking in return seven per cent interest bearing notes which now total $9,071,000.

Total liabilities of the company, including accrued interest, are $9,954,473. Current assets total $576,335.

An interesting angle of the financial statement is that the parent company and associated companies have not increased their loans to Treadwell, although outside interests have provided $3,087,000.

At the Bussieres property development in 1932 was carried to a depth of 677 ft.

Ore values are not as indicated by first diamond drilling and the first limited surface exposures; but good ore has been found on all levels with the best at the bottom of the 650 ft. level. There predominates an east and west system of veins having a steep dip and frequently a series of these veins occur with but a narrow parting between, so that they can be mined as one ore body.

A band of country rock 600 ft. wide, in which the development to date has been confined, has been explored for a length of 1,000 ft. along the strike.

Break 900 Tons Daily

The quartz veins in the intervening country rocks will be broken together in the stopes and one third of the material broken can be sorted out and stored in the stopes.

Of the two thirds hoisted one-half can be sorted out ahead of the fine milling so that the material finally going to the ball mills will be but one third of the rock broken in the stope. The 150-ton mill started production in September, 1932, with the millheads in October averaging $1.57 per ton. By February, 1933, they had increased to $5.02 per ton.

The future programme includes doubling the mill capacity and increasing the company's hydro electric development on the Colombiere River, some eleven miles distance from the mill.

HUDSON BAY FINDS BEING CHECKED UP

Quebec Prospectors Report Busy Year With Original Capital Intact

The tenth annual report of Quebec Prospectors Ltd., an exploration organization comprised principally of private interests, shows that notwithstanding a busy season in 1932 the liquid assets, principally in negotiable securities, amount to $51,787, or in excess of the original paid up capital of $45,000.

Three main prospecting areas attracted attention last year—Great Bear Lake, Swayze, and Northwestern Quebec. A party of two headed by John Drybrough, spent the season in the Great Bear Lake area and discovered a copper deposit which might be considered important if near a smelter. This party was jointly financed by the company, Huronian Mining & Finance Co. and the Cyril Knight Prospecting Co.

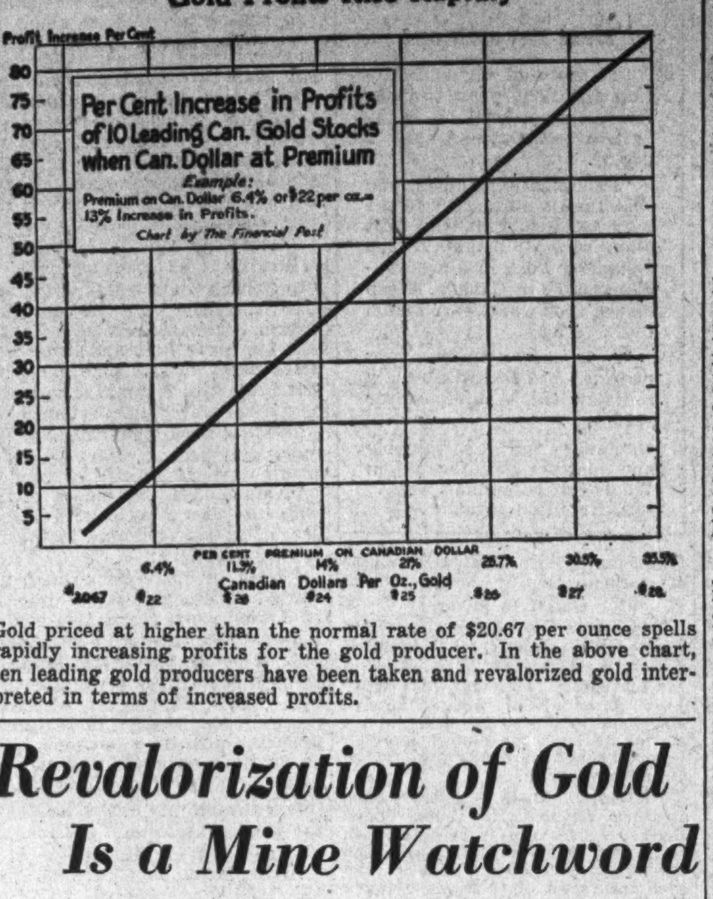
In the Swayze area of Ontario, exploration of the claims staked in 1931 disclosed small quartz stringers but no gold. Two other groups were staked in the area but their importance has not been disclosed.

Party Returns to Hudson Bay

Exploration in the Pascalis-Bell River area of Quebec disclosed nothing of importance and late in the season the party proceeded westward to Bousquet township, which was attracting some attention for the gold discoveries made. An option was taken on the Ouellette-LaPalme claims and shallow diamond drilling was undertaken on the shores of Bousquet Lake. A total of 1,231 ft. was drilled in four holes. Two holes encountered quartz veins up to one foot in width. Fifty-eight assays of the quartz failed to show values over 40 cents per ton in gold. This drilling was shared jointly with the Cyril Knight Prospecting Co.

Early this year a party of four were dispatched at the joint expense of the company, Cyril Knight Prospecting Co., Huronian Mining & Finance Co. and the Newmont Mining Corp., to the site of the discovery of the large sulphide masses found on the east shore of Hudson Bay by the company's party headed by W. B. Airth in 1931 and 1932. This year it is planned systematically to channel sample these sulphide lenses from which grab samples showed low values in gold, nickel and copper. Mr. Airth in reporting on this discovery said: "I am strongly of the opinion that your company possesses holdings offering extraordinary possibilities in the development of a gold-nickel-copper body."

Gold Profits Rise Rapidly



Gold priced at higher than the normal rate of $20.67 per ounce spells rapidly increasing profits for the gold producer. In the above chart, ten leading gold producers have been taken and revalorized gold interpreted in terms of increased profits.

Revalorization of Gold Is a Mine Watchword

Great Interest Manifested Because of Important Bearing It Would Have on Profits of Gold Producers

No economic subject is commanding more attention at the present time in mining and investment circles than that of revalorizing gold.

In a short time the representatives of the leading nations of the world meet in Washington to discuss economic problems of the day. One of the questions certain to come under discussion is the revalorizing of gold from the present standard of $20.67 per ounce—a standard that has prevailed for the past 100 years with only such deviations in value as were occasioned by the fluctuations of various monetary systems in the country of production, in relation to currency of other nations.

Economists are divided into two camps as to the merit of the revalorizing of gold. In Canada its most ardent supporter is Dr. Stephen Leacock, the well-known humorist-economist of McGill University, who sees in the revalorizing of gold a cure for the economic troubles of the day.

Few Countries on Gold Basis

The proponents of the revalorizing of gold point to the fact that in only a few countries of the world is gold selling on the basis of $20.67 an ounce. In all other countries, as in Canada, it commands a higher price due to the depreciated currency of that country.

It becomes obvious that the question of revalorizing of gold is one of interest to gold mines and investors in gold stocks. For the past 18 months Canadian gold mines have had a taste of what prices above the normal value mean in terms of profits and extended mining operations.

In order more clearly to present this picture to investors, The Financial Post has prepared a chart, illustrated above, based on the earnings of Canada's ten leading gold producers which account for over 80 per cent of its production. This chart has been prepared on the basis of normal profits based on gold at $20.67 per ounce with an interpretation made in terms of increased earnings when gold is at various prices above the normal price per ounce. For example, the survey disclosed that with gold at $25 per ounce or the equivalent of a premium of 21 per cent on Canadian funds, the increase in profit, based on the earnings of the ten leading producers, would be 48 per cent. With gold at $29 per ounce, the earnings of these producers would be practically doubled.

Many Significant Omens

Therefore, it is not surprising that the subject of revalorizing gold is one of the greatest concern to investors in gold shares and gold producers. Whether or not it will become a reality, only time will tell, but there are some significant gestures taking place in Great Britain and United States that are worthy of careful study and consideration.

It is the consensus that any action in revalorizing of gold must be an international one. Sponsorship rests with the leading nations. It becomes obvious that the first step toward any scheme of revalorizing gold would be the corralling by the government of as much gold in the government coffers as possible. To this end the United States is not issuing gold, but is calling in gold under threats of severe punishment to hoarders, since in the event of revaluation on a higher scale any possessor of gold would stand to profit on any gold that he might possess.

The current reports are that President Roosevelt is opposed to inflationary action, although it is known that his economic advisers are ardent supporters of inflation involving the revalorizing of gold. The Congress of the United States is also said to favor the revalorizing of the dollar. As opposed to this, the Wall Street Journal said in a recent article that the debasement of the currency can be regarded as remote and that other stimulants to the return of economic prosperity will be tried before the question of revalorizing of gold is seriously considered.

England Buying Gold

Another significant fact is the steady accumulation of gold by the Bank of England. The first week in April showed gold holdings totalling £177,359,908—the largest amount of gold ever reported. The second week in January after paying the United States $90,000,000 in gold on account of war debts, the gold holdings for the Bank of England amounted to £120,544,105. It will thus be seen that in a three months' period the Bank of England has increased its accumulation by nearly 50 per cent. If gold is revalorized those countries with the greatest stores of bullion or potential bullion in the form of ore in mines, stand to profit to the greatest extent.

With Canada the second largest gold producing country in the world and increasing its production at a more rapid rate than any other major gold producer, the question of increased prices becomes one of vital concern.

At the forthcoming World Conference it is mooted that the question of revalorizing of gold on the basis of $30 per ounce will be pressed. In reviewing the subsequent reaction, it is not improbable that this stimulus would in itself provide the necessary impetus for a more bountiful production of gold. One fundamental motive of revalorizing is to stimulate gold production and thereby provide a tonic to greater economic activity.

With gold at $30 per ounce, increasing the profits of Canadian gold mines over double what they are normally, it is not inconceivable that Canadian gold mining would be precipitated into the greatest boom it has ever known. Millions of tons of rock, now unprofitable, would be converted into payable ore. A search for new mines would be stimulated and throughout Canada's vast pre-Cambrian field, the largest exposure of favorable host rock to gold ore in the world, would swarm with prospectors and engineers alike, bent on participating in this new source of wealth. With this stimulated activity new areas would come under development, new frontiers would be pushed back and settlements spring up in the vast hinterlands that otherwise have no economic importance.

Not All Favorable

Such is the picture of the favorable side of this simple panacea for promoting prosperity. The opponents to inflation and the revalorizing of gold are as numerous as the proponents. They realize that this stimulus to gold production is necessarily temporary and it has a counterpart in increased commodity prices and higher wages resulting in higher production costs, which eventually will offset the temporary advantage of a higher value for gold. It is also conceivable that the hard-pressed governments in their zeal to collect taxes will extract their toll from these new found profits from gold mining, and that eventually this newly launched ship of prosperity must eventually ride on an even keel. The cost of producing gold today is practically one hundred cents for each one dollar in gold extracted, when all exploration and unsuccessful gold mining enterprises are lumped with the successful producers.

At the present time it is impossible to interpret the final results of any inflationary programmes under consideration, but one factor seems obvious that whatever steps may be taken by the leading nations of the world to promote inflation, trade activity and adjust international and economic problems, the production of gold and the value of gold is not likely to assume a less commanding position than it does today, while any stimulus, even if temporary, is not to be despised.

Parkhill Gold Daily Recovery Averages $1,500

Since production operations were resumed on February 20, at Parkhill Gold Mines, the daily output has averaged better than $1,500 in gold, The Financial Post is officially advised.

The mill was made ready for increased capacity early this year and a ball mill and table are now being installed that will be ready for operation by May 1. It is then proposed to step up the milling rate to about 70 tons daily. Present operations are averaging about 40 tons daily which indicates that pretty high grade ore is being treated. With the higher milling rate about 100 tons of ore will be hoisted but 30 tons of waste will be picked out. Larger ore bins are also being constructed.

The station on the new sixth level is expected to be finished by April 20, when lateral work will start to explore the area intersected by diamond drilling from the fifth level. Indications are that the veins are converging below the fifth level. The diamond drill results indicated an average of $28.76 over good widths on this horizon.

Exploration and stoping to date has been confined to a limited area on either side of the shaft and it is now proposed to extend the scope of exploration.

B. E. A. R. LISTED WITH MUCH ADO AS TO PROSPECTS

Well Known Salesmen, Newkirk and Weiss, Sponsoring

An aggressive promotional campaign will probably follow the announcement that shares of Bear Exploration and Radium, more familiarly known as B.E.A.R., have been listed on the Standard Stock & Mining Exchange, are to be listed on the New York Curb and that L. D. Munds and G. N. Standifer, partners in the brokerage firm of Munds, Winslow & Potter, members of the New York Stock Exchange, have joined the board.

The company was incorporated just over a year ago with the announced intention of developing claims acquired in the Great Bear Lake area.

The president of the company is Bernard Day. Active in the promotion of the company, but not appearing on its directorate, are Brian Newkirk and Al. Weiss, New York stock salesmen well known for their previous promotional activities.

Lots of Publicity

At least one of Canada's leading gold mining executives is understood to have put in $100,000 on the strength of representations made by Weiss and Newkirk.

The company's publicity agent has been successful in obtaining considerable space in certain sections of the Canadian press regarding its activities and possibilities. The most recent report refers to two major mineral occurrences as having been opened up—one of big, high grade silver and the other of silver pitchblende. It refers to the company as being "Great Bear Lake's first producer as a five-ton concentrator has been shipped in by airplane to handle the silver already being mined. The silver concentrates are also to be shipped out by airplane.

The statement that B.E.A.R. will be Great Bear Lake's first producer and that a five ton concentrator has been "flown in," leaves usually well-informed mining circles somewhat at a loss for an explanation of the rush and expense of "flying in" a concentrator when the director of the Geological Survey of Canada, which has maintained geologists in this field for the past two years, fails even to mention the name of B.E.A.R. in discussing the "Economic Significance of Discoveries to Date" in his report on developments early in 1933. This report also pays a tribute to the Eldorado Gold Mines as the first producer in the area, this mine having shipped out some ten tons of silver ore last fall in addition to 53 tons of radio-active ore.

MINING CORP. REPORTS ASHLEY RESPONDING WELL

Final Extraction Taken at Cobalt Properties Provides Profit

The nineteenth annual report of Mining Corp. of Canada covers the closing down of its Cobalt mining operations after 28 years as a producer, during which time 50,196,941 oz. silver were produced. Production in 1932 was 1,177,791 oz., the highest production reported in the last four years, won from final extraction of the rich ore shoots in the bottom of Cobalt Lake and made available by draining the overlying tailings into the worked out sections of the mine.

Notwithstanding the lowest silver prices in history, the company after all write-offs, showed a profit of $3,507 as compared with $347,000 the previous year.

Has Wide Interests

Interest in the company now centres about its subsidiary interests, particularly the Ashley Gold Mining Corp. The company also has important holdings in the Hudson Bay Mining & Smelting Co., as well as such inactive properties as the Base Metals Mining Corp., Quemont Mining Corp., Mintor Exploration & Development Co., and Normetal Mining Corp.

The balance sheet as at December 31 shows the company to retain a strong liquid position with current assets, including marketable securities, totalling $1,066,673. Current liabilities total $1,171,814, giving a working capital of $914,858.

At the Ashley Gold Mining Corp. the 150-ton daily capacity cyanide mill was started into production in August, maintaining a rate of approximately 75 tons daily. To the end of 1932 the gold recovery, exclusive of exchange compensation, amounted to $61,290 from 6,805 tons of ore milled—an average recovery of $9 per ton. Millheads in December were $18.76 per ton.

During the year the shaft was completed to the 500 ft. horizon and levels established at 125 ft. intervals. Subsequently a vertical winze from the 500 ft. level opened up two new horizons at 625 ft. and 750 ft.

Development on the Ashley vein down to the 500 ft. level has proven narrow but high grade ore shoots average approximately $15 per ton over a width of 30 inches. Of the four levels developed the 500 ft. has shown the most consistent ore conditions with an ore length of 950 ft. in practically one continuous ore shoot.

New Vein Promising

A vein parallel to the Ashley, lying 280 ft. to the west, was shown, where intersected, to be broken by minor faulting, but drifting has disclosed considerably better grade of ore than in the Ashley vein, over a width of 30 inches.

Owing to the narrow character of the Ashley vein, special stoping methods and hand sorting were required to avoid dilution. On account of this condition the mill tonnage has been increased to approximately 110 tons daily with the grade averaging $12 per ton.

When production started, ore developed on the Ashley vein above the 500 ft. level was approximately one year's supply at the 75-ton daily rate. At the close of 1932 the ore on the 625 and 750 ft. the two new lower levels, raised the ore supply to three years at the same rate, providing a grade equivalent to that on the 500 ft. level is developed.

The annual meeting of the company is called for May 17 in Toronto.

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SAN ANTONIO MINES PROFIT IS $69,733 IN FIRST PERIOD

Mill Operating at 150 Ton Rate—Absorption Lowers Recovery

A report by San Antonio Gold Mines, operating a property in the Rice Lake district of Manitoba, reflects the initial period of production which has many favorable aspects. Net profits were $69,733 after reserves of $55,092, or equivalent to three cents per share on the 2,231,302 shares to be outstanding.

The following tabulation shows the operating account covering the eight months the new mill was in operation:

Operating Account Year Ended December 31

	1932
	$
Gold production	259,240
Less: Development	29,887
Mining	125,196
Milling	64,366
Marketing	2,124
Adminis. & gen. exp.	13,904
Operating income	23,763
Non-oper. income:	
Exchange compensation	33,890
Solution in process	66,561
Misc. income	611
Operating profit	124,825
Less: Depreciation	54,561
Organization written off	531
Net profit	69,733
Earnings per share	0.03

Although started in May it was not until August, 1932, that the mill operated at its rated capacity of 150 tons daily. As is common in new installations, absorption of gold in the circuit at first locked up substantial values. This value was taken into the operating account at $66,561 and while not recoverable during period of operation, represents an amount approximating the net profit. Exchange compensation on gold production also sweetened the company's initial efforts. A liberal policy was followed with respect to depreciation and writing off of organization expense.

Normal value of gold production was $259,240 from 30,419 tons of ore milled. This is an equivalent to an average recovery of $8.54 per ton—somewhat lower than had been anticipated by earlier reports. The average milling rate was 127 tons daily.

Total operating costs amounted to $7.74 per ton including 98 cents per ton for development and exploration. Depreciation and write-offs amounted to $1.81 per ton bringing total operating costs per ton of ore milled to $9.55 per ton.

Ore Reserves Increase

While the mine was partially developed down to the 950 ft. level before production started, the ore indicated in the workings had not been prepared for production. Providing the mill with ore and at the same time conducting development offered a problem, but at the end of 1932 the estimated ore reserves were 74,450 tons as compared with 60,000 tons indicated when the mill started.

The reports submitted did not include a balance sheet other than to show that 2,141,468 shares had been issued and a further 89,834 shares remain yet to be exchanged for shares in the predecessor company, San Antonio Mines. Hollinger Consolidated Gold Mines is the principal shareholder having financed the mill construction. The annual meeting of the company is called for April 20.

Towagmac Reports Interest in Africa

The annual report of Towagmac Exploration Co. for the year ended December 31, 1932, shows current assets of $11,923 and current liabilities of $792. In addition there is a bank loan of $52,600 secured by stocks and bonds carried at book value of $1,254,804.

Towagmac is a holding and exploration company with principal interests in Aldermac Mines, in which it holds 3,528,345 shares; Francoeur Gold Mines to the extent of $65,000 shares; Lake Geneva Mining Co. in which it holds 497,500 shares and Nichols Engineering & Research Corp, in which it holds 215 shares.

The Aldermac property remained closed for the greater part of 1932 owing to unfavorable markets for pyrite.

The Francoeur property was financed by Hollinger Consolidated Gold Mines to the extent of $65,000 and diamond drilling done in 1932. It is the intention to do further work this season. The company has about $20,000 and 1,516,667 shares in its treasury.

A new acquisition last year was an interest in a syndicate organized for the purpose of investigating the new Kakamega gold fields in Kenya Colony, British East Africa.

The annual meeting of the company is called for April 24, in Montreal.

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